



**CITY OF JUNCTION CITY**

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2011

WITH

INDEPENDENT AUDITORS' REPORT



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2011**  
**WITH INDEPENDENT AUDITORS' REPORT**



**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

**Year ended June 30, 2011**

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**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

**Year ended June 30, 2011**

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**LANE COUNTY, OREGON**

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**LANE COUNTY, OREGON**

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## **INTRODUCTORY SECTION**



**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

**List of Elected Officials**

**June 30, 2011**

<b><u>NAME</u></b>	<b><u>POSITION</u></b>	<b><u>TERM EXPIRES</u></b>
David S. Brunscheon 420 Timothy Junction City, OR 97448	Mayor	January 31, 2013
Jack Sumner 1061 Quince Drive Junction City, OR 97448	Councilor	January 31, 2013
Randy Nelson 1389 United Drive Junction City, OR 97448	Councilor	January 31, 2013
Bill DiMarco P.O. Box 702 Junction City, OR 97448	Councilor	January 31, 2013
Marti Templeton 1267 Rose Junction City, OR 97448	Councilor (Resigned July 26, 2011)	January 31, 2015
Herb Christensen 815 Alder Street Junction City, OR 97448	Councilor	January 31, 2015
Jim Leach 385 Timothy Junction City, OR 97448	Councilor	January 31, 2013



**FINANCIAL SECTION**





## Independent Auditors' Report

To the Mayor and Members of the City Council  
City of Junction City  
Junction City, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Junction City, Oregon, ("City") as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I. C., the City prepares its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, - modified cash basis, thereof in conformity with the basis of accounting described in Note I. C.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the management's discussion and analysis, combining and individual nonmajor fund financial statements, budgetary comparisons, and other financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statement. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or provide any assurance on it.

The combining and individual nonmajor fund financial statements, budgetary comparisons and other financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards on the basis of accounting described in Note I.C. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Isler CPA**

A handwritten signature in black ink, appearing to read "Gary Iskra". The signature is fluid and cursive, with the first name "Gary" and last name "Iskra" clearly distinguishable.

By: Gary Iskra, CPA, a member of the firm  
Eugene, Oregon  
December 16, 2011



# CITY OF JUNCTION CITY LANE COUNTY, OREGON

## Management's Discussion and Analysis

Our management discussion and analysis (MDA) of the City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2011 within the limitations of the City's modified cash basis of accounting. The MDA is intended to be read in conjunction with the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The City's total revenues exceeded total expenses, on the modified cash basis of accounting, by \$16,261,981 for the year, resulting in an increase in total net assets of 41% from the previous year. Much of the increase is attributed to funds advanced by the Department of Corrections for projects in progress.

The City's Governmental Funds (defined below) saw an overall increase of \$5,304,118 to the combined ending balance of \$10,463,237, which includes \$5,226,732 from the DOC fund. This represents a 103% increase to the combined fund balance. The general fund programs, increased by \$171,277 (9.1%), and the Business Development Loan fund decreased by 114,763 (10.5%).

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements of the City are comprised of three components. They are: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. Other supplementary information in addition to the basic financial statements is also contained in this report.

**Government-wide Financial Statements:** The Statement of Net Assets and the Statement of Activities (page 12 and 13) provide information about the activities of the City as a whole, and present a broad overview of the City's finances.

**Fund Financial Statements:** Fund financial statements (*starting on page 14*) focus on the individual parts of the City government. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant ("major") funds. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. For proprietary activities, these statements offer short-term and long-term financial information about the business-like activities the City operates, such as the water, sewer, and sanitation services.

**Notes to the Financial Statements:** The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements. The notes to the financial statements can be found on pages 22 to 35 of this report.

The remainder of the City's Annual Financial Report consists of Supplementary Information. This information is not a part of the Basic Financial Statements described above, however it serves to provide users of this report with additional specific data that supplements the government-wide statements, fund financial statements, and notes. Examples of this additional financial information include combining statements for non-major funds (which are added together and shown in the fund financial statements in a single column), such as the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances and individual budgetary comparison statements for major and non-major funds.

## **BASIS OF ACCOUNTING**

The City has elected to present its financial statements on a modified cash basis of accounting. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the City's modified cash basis of accounting, revenues, expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense on capital assets in the government-wide financial statements for all activities and in the fund financial statements for proprietary fund activities.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

## **REPORTING THE CITY AS A WHOLE**

### **The City's Reporting Entity Presentation**

This annual report includes all activities for which the City Council of Junction City is fiscally responsible. These activities, defined as the City's reporting entity, are operated within a single legal entity that serves as the structure of the primary government.

### **The Government-wide Statement of Net Assets and the Statement of Activities**

The government-wide financial statements are presented on pages 12 and 13. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all of the City's assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the City's net assets and changes in them. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as the condition of the City's property, infrastructure and equipment, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

**Governmental activities.** Most of the City's basic services are reported in this category. These services include the police, municipal court, streets, parks, library, senior center, planning services and general administration. Property taxes, franchise fees, fines, and state taxes are the key resources that finance these activities.

**Business-type activities.** The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer, and sanitation operations are reported here.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### **The Fund Financial Statements**

Our description of the City's major funds begins on page 23. The fund financial statements begin on page 14 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

**Governmental funds**—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in subsequent years. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader to determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements. The City considers the General Fund, DOC-IGA Infrastructure Capital Project Fund, Street Fund, Building Replacement Reserve Fund and the Business Development Loan Fund to be its significant or major governmental funds. All other governmental funds are aggregated in a single column entitled Other Governmental Funds.

The City implemented GASB 54 for the fiscal year ended June 30, 2011. This resulted in several funds being combined into the General Funds Programs. The funds included were the general fund, Viking Sal Senior Center Fund, Health Insurance Fund, Cumulative Law Enforcement Reserve Fund, and the Community Services Center Fund.

**Proprietary funds**—When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability. In fact, the City's proprietary (enterprise) fund financial statements are essentially the same as the business-type activities we report in the government-wide statements but the fund statements provide more detail and additional information, such as cash flows. The City has three enterprise funds — Water Fund, Sewer Fund, and Sanitation Fund.

**Fiduciary funds** — The City currently has two fiduciary funds. Fiduciary funds are used to account for resources that are held for the benefit of parties outside the government. The resources of these funds are not available to support the City's own programs; therefore, fiduciary funds are not reflected in the government-wide statements.

## **A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

### **Net Assets—Modified Cash Basis**

The City's combined net assets, resulting from modified cash basis transactions, increased from \$39,644,853 to \$55,906,834 during the fiscal year ending June 30, 2011.

City of Junction City's Net Assets:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 10,723,849	\$ 10,912,117	\$ 6,088,414	\$ 5,332,512	\$ 16,812,263	\$ 16,244,629
Capital assets	24,987,280	14,999,320	14,289,650	14,276,424	39,276,930	29,275,744
Total assets	35,711,129	25,911,437	20,378,064	19,608,936	56,089,193	45,520,373
Current liabilities	21,275	31,820	25	25	21,300	31,845
Deferred Revenue	-	5,611,194	-	-	-	5,611,194
Long - term debt outstanding	94,159	121,143	66,900	111,338	161,059	232,481
Total liabilities	115,434	5,764,157	66,925	111,363	182,359	5,875,520
Net assets:						
Invested in capital assets, net of related debt	24,893,121	14,878,177	14,119,805	14,165,086	39,012,926	29,043,263
Restricted for:						
Systems development	907,469	849,802	2,099,648	593,395	3,007,117	1,443,197
Streets	407,767	386,417	-	-	407,767	386,417
DOC capital project	5,226,732	-	-	-	5,226,732	-
Unrestricted	4,160,606	4,032,884	4,091,686	4,739,092	8,252,292	8,771,976
Total net assets	\$ 35,595,695	\$ 20,147,280	\$ 20,311,139	\$ 19,497,573	\$ 55,906,834	\$ 39,644,853

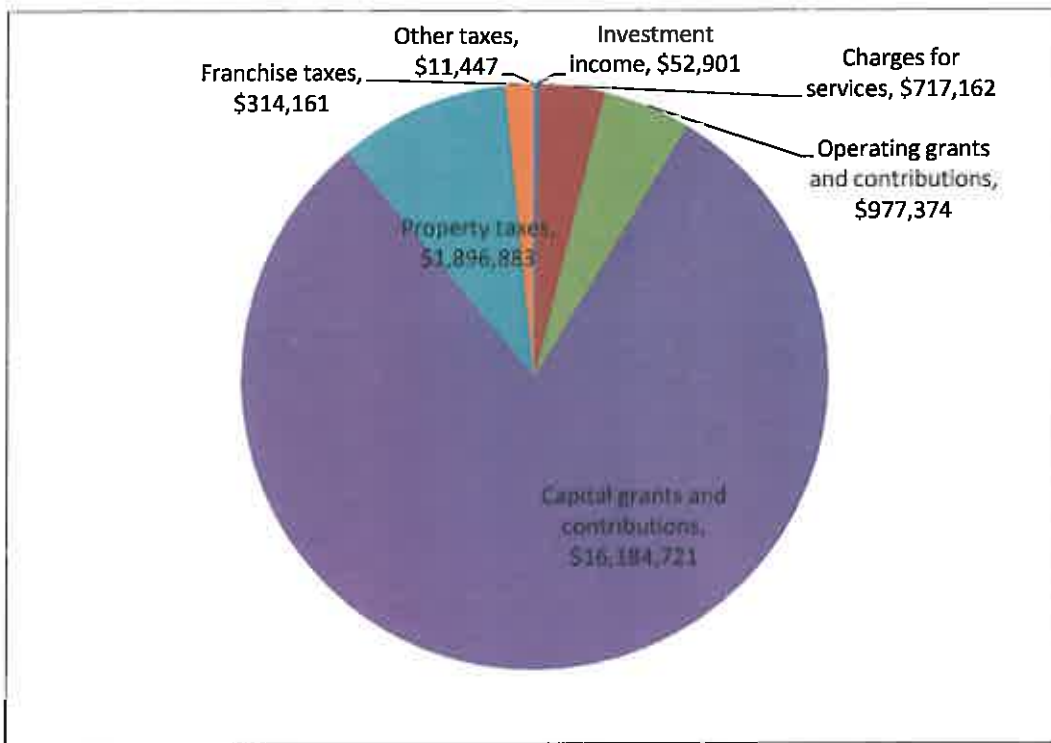
Net assets of the City's governmental activities increased 76.7%. Total net assets for governmental activities was \$35,595,695. However, \$24,893,121 of those net assets is invested in capital assets (buildings, roads, bridges, and so on), \$5,226,732 was restricted for DOC projects, \$907,469 was restricted for systems development and \$407,767 was restricted for streets. Consequently, unrestricted net assets were \$4,160,606 at the end of this year.

**Changes in Net Assets—Modified Cash Basis For the years ended June 30, 2011 and 2010, net assets of the government (resulting from modified cash basis transactions) changed as follows:**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 717,162	\$ 624,324	\$ 2,867,135	\$ 2,838,418	\$ 3,584,297	\$ 3,462,742
Operating grants and contribution	977,374	977,628	-	-	977,374	977,628
Capital grants and contributions	16,184,721	6,032,286	152,559	593,395	16,337,280	6,625,681
General revenues:						
Property taxes	1,896,883	1,829,917	-	-	1,896,883	1,829,917
Franchise taxes	314,161	287,396	-	-	314,161	287,396
Other taxes	11,447	7,126	-	-	11,447	7,126
Investment income	52,901	48,280	28,943	33,695	81,844	81,975
Total revenues	20,154,649	9,806,957	3,048,637	3,465,508	23,203,286	13,272,465
<b>Expenses</b>						
General government	1,070,780	1,243,569	-	-	1,070,780	1,243,569
Public safety	1,878,114	1,713,697	-	-	1,878,114	1,713,697
Highways and streets	478,816	439,594	-	-	478,816	439,594
Economic development	157,180	100,840	-	-	157,180	100,840
Culture and recreation	578,344	613,131	-	-	578,344	613,131
Water	-	-	965,928	801,589	965,928	801,589
Sewer	-	-	1,177,827	1,033,798	1,177,827	1,033,798
Sanitation	-	-	634,316	591,220	634,316	591,220
Total expenses	4,163,234	4,110,831	2,778,071	2,426,607	6,941,305	6,537,438
Excess before special item and transfers	15,991,415	5,696,126	270,566	1,038,901	16,261,981	6,735,027
Transfers - internal activity	(543,000)	9,500	543,000	(9,500)	-	-
Increase in net assets	15,448,415	5,705,626	813,566	1,029,401	16,261,981	6,735,027
Net assets, beginning of year	20,147,280	14,441,654	19,497,573	18,468,172	39,644,853	32,909,826
Net assets, end of year	\$ 35,595,695	\$ 20,147,280	\$20,311,139	\$ 19,497,573	\$ 55,906,834	\$ 39,644,853

### Governmental Activities

For the year ended June 30, 2011, the City's governmental activities were funded as follows:

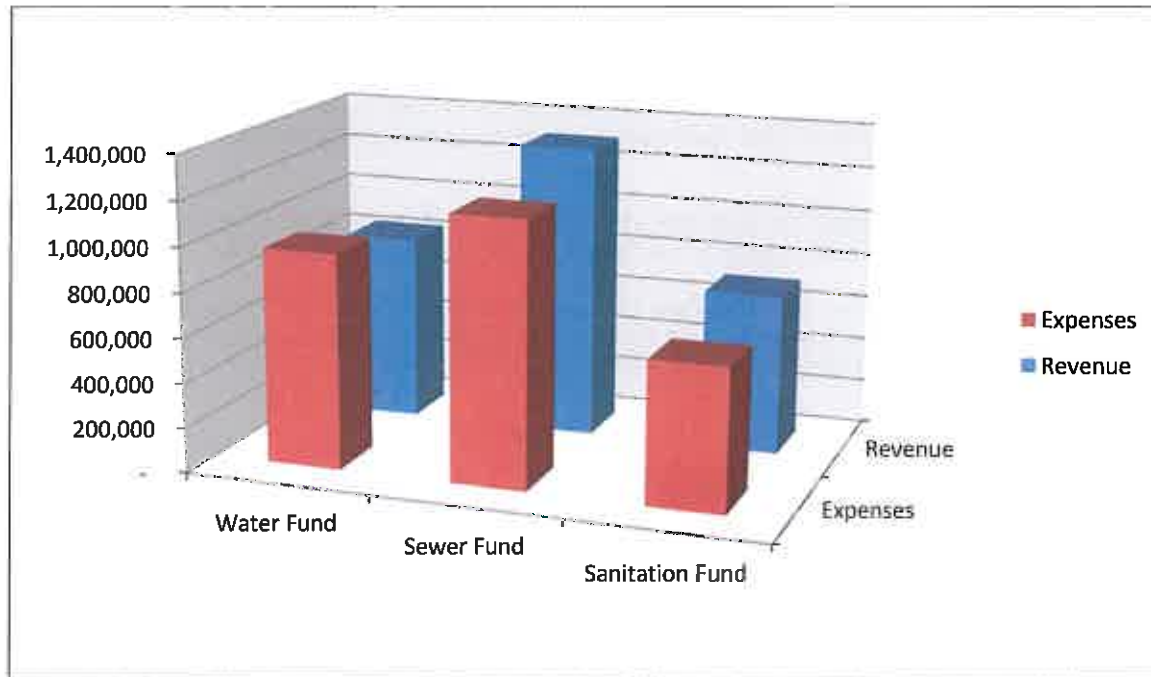


For the year ended June 30, 2011, total expenditures for governmental activities, resulting from modified cash basis transactions, were \$4,163,234. Revenues included: taxes and investment earnings of \$2,275,392; charges for services of \$717,162; operating grants and contributions totaling \$977,374; and capital grants and contributions \$16,184,721. As a result, governmental net assets increased \$15,448,415.

### **BUSINESS-TYPE ACTIVITIES**

A review of the business-type activities' net (expense)/revenue resulting from modified cash basis transactions indicates that water, sewer and sanitation activities in total ended in a positive position for the fiscal year. The water, sewer and sanitation service activities reported net revenue and expenses (losses), before investment earnings and transfers, of (\$109,392), \$270,293, and \$80,722 respectively. In addition, business type activities, had interest income of \$28,943 and transfers-in of \$543,000. Additional information on enterprise funds can be found on pages 17- 19.

## OPERATING REVENUE AND EXPENSES



### A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Certain additional funds experienced noteworthy changes from the prior year and are highlighted as follows:

- The DOC-IGA Infrastructure Capital Project shows \$10,342,284 in capital expenditures due to the Department of Corrections project in process during the fiscal year.
- The Building Replacement Reserve Fund decreased \$53,147 or 12.3% due to projects budgeted and completed.
- The Business Development Loan Fund ending fund balance decreased by \$114,763 or 10.5% due to a development loan awarded during the year for 150,000 less principal and interest received on all outstanding loans. The ending fund balance for the year leaves an amount of \$978,930 for future loans and investments.
- The Water System and Sewer System Improvement Funds also continued to receive funds from charges for services resulting in ending fund balances respectively of \$507,209 and \$2,251,682. Capital expenditures of \$567,828 for Water system improvements and \$160,678 for Sewer system improvements were expended during the fiscal year.
- The Sanitation Equipment Reserve Fund grew by \$19,175 to an ending fund balance of \$83,369.

## General Fund Budgetary Highlights

As a result of the implementation of GASB 54, several funds have been combined for reporting purposes, to create the General Fund Programs. The combined funds include the general fund, Viking Sal Senior Center Fund, Health Insurance Fund, Cumulative Law Enforcement Reserve Fund, and the Community Services Center Fund.

The City's General Fund ended the year with a fund balance of \$1,914,203, an increase of \$190,293. The increase represents an overall increase in the General Fund ending balance of 11%.

Revenue in the general fund was less than budgeted levels by \$69,721 (2.1%) in total. Total actual expenditures in the general fund were \$362,533 (10.4%) below the budgeted amount for the year, giving the ending general fund balance an increase for the year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets—Modified Cash Basis

At June 30, 2011, the City had more than \$39.2 million invested in capital assets, net of depreciation, including land and buildings, police and public works equipment, park facilities, infrastructure, and water and sewer lines and system components. (See table below). This represents a net increase of just over \$10 million from last year. The increase is largely due to the Department of Correction's related construction in progress.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 2,985,282	\$ 2,744,444	\$ 1,247,165	\$ 1,247,165	\$ 4,232,447	\$ 3,991,609
Construction in progress	16,626,479	6,693,359	498,016	292,526	17,124,495	6,985,885
Other improvements	1,076,766	1,068,732	-	-	1,076,766	1,068,732
Machinery and equipment	995,866	982,006	701,423	603,118	1,697,289	1,585,124
Infrastructure	3,302,887	3,510,779	96,286	103,692	3,399,173	3,614,471
Utility property			11,746,760	12,029,923	11,746,760	12,029,923
Total	<u>\$ 24,987,280</u>	<u>\$ 14,999,320</u>	<u>\$ 14,289,650</u>	<u>\$ 14,276,424</u>	<u>\$ 39,276,930</u>	<u>\$ 29,275,744</u>

This year's capital asset additions were:

Equipment	\$ 384,218
Infrastructure, Land & Other Improvements	287,349
System Improvements	
Utility	235,431
Construction in Progress	10,138,610
	<u>11,045,608</u>

For more information on capital assets, see Note II.D. to the financial statements.



### **Long-term Debt—Modified Cash Basis**

The City's long-term debt consists of a loan through the State's Economic Development Department. The original loan amount of \$250,000 requires annual payments of \$22,026 amortized over 20 years at 6.13% interest. The principal balance on the loan at June 30, 2011 was \$40,310. For more information on long-term debt, see Note II. F. to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

For the current fiscal year ending June 30, 2012, the budgeted appropriations for all funds other than the Department of Corrections fund, is \$13,445,620 as compared to the prior year appropriations of \$10,743,211.

The City has completed work on many of the infrastructure projects related to the opening of the hospital and prison facilities. Such work, includes both extensive piping projects for water and wastewater, construction of two elevated water storage tanks, completion of a centralized water pump station, upgrades to the Third and Maple Sewer Pump Station and a ground water storage tank.

The continuing unknowns at this time are the impacts of the National economic condition on the State and local economy which has a direct impact on the City's budget. These economic factors, which affect property taxes, do impact the City's general fund. On a positive side the City has seen some business growth in the downtown area, the Department of Corrections is still expected to begin building in 2012, and our housing starts continue at a moderate level. Local community groups continue their efforts to improve the over-all business starts and community development. The future of the City is positive, however the future of the economy we operate in is not known.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance Director, at 680 Greenwood St., Junction City, Oregon 97448 or telephone at (541) 998-2153.



## **BASIC FINANCIAL STATEMENTS**



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**Statement of Net Assets - Modified Cash Basis**  
**June 30, 2011**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,472,345	\$ 6,088,414	\$ 16,560,759
Loans receivable	239,337	-	239,337
Developer advances	12,167	-	12,167
Capital assets not being depreciated:			
Land	2,985,282	1,247,165	4,232,447
Construction in progress	16,626,479	498,016	17,124,495
Capital assets net of depreciation:			
Utility property and improvements	1,076,766	11,746,760	12,823,526
Infrastructure	3,302,887	96,286	3,399,173
Machinery and equipment	995,866	701,423	1,697,289
Total assets	<u>\$ 35,711,129</u>	<u>\$ 20,378,064</u>	<u>\$ 56,089,193</u>
<b>LIABILITIES</b>			
Deposits and withholdings payable	\$ 21,275	\$ 25	\$ 21,300
Noncurrent liabilities:			
Due within one year	29,075	46,146	75,221
Due in more than one year	65,084	20,754	85,838
Total liabilities	<u>115,434</u>	<u>66,925</u>	<u>182,359</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	24,893,121	14,119,805	39,012,926
Restricted for DOC-IGA capital project	5,226,732	-	5,226,732
Restricted for street improvements	407,767	-	407,767
Restricted for system development	907,469	2,099,648	3,007,117
Unrestricted	4,160,606	4,091,686	8,252,292
Total net assets	<u>35,595,695</u>	<u>20,311,139</u>	<u>55,906,834</u>
Total liabilities and net assets	<u>\$ 35,711,129</u>	<u>\$ 20,378,064</u>	<u>\$ 56,089,193</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON**  
Statement of Activities - Modified Cash Basis  
For the Year Ended June 30, 2011

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>Governmental activities:</b>						
General government	\$ 1,070,780	\$ 332,667	\$ 581,215	\$ 16,129,451	\$ 15,972,553	\$ 15,972,553
Public safety	1,878,114	225,622	9,914	-	(1,642,578)	(1,642,578)
Highways and streets	478,816	916	370,068	21,204	(86,628)	(86,628)
Economic development	157,180	157,957	8,607	-	9,384	9,384
Culture and recreation	578,344	-	7,570	34,066	(536,708)	(536,708)
Total governmental activities	4,163,234	717,162	977,374	16,184,721	13,716,023	13,716,023
<b>Business-type Activities:</b>						
Water	965,928	837,600	-	18,936	-	(109,392)
Sewer	1,177,827	1,314,497	-	133,623	-	270,293
Sanitation	634,316	715,038	-	-	-	80,722
Total business - type activities	2,778,071	2,867,135	-	152,559	13,716,023	13,957,646
Total government	\$ 6,941,305	\$ 3,584,297	\$ 977,374	\$ 16,337,280	\$ 13,716,023	\$ 13,957,646
<b>General revenues:</b>						
Property taxes					1,896,883	1,896,883
Franchise taxes					314,161	314,161
Other taxes and receipts					11,447	11,447
Investment earnings					52,901	52,901
Transfers - internal activity					(543,000)	543,000
Total general revenues and transfers					1,732,392	571,943
Change in net assets					15,448,415	813,566
Net assets - beginning					20,147,280	19,497,573
Net assets - ending					\$ 35,595,695	\$ 20,311,139
						\$ 55,906,834

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Balance Sheet - Modified Cash Basis  
Governmental Funds  
June 30, 2011

	General Fund Programs	DOC-IGA Infrastructure Capital Project	Building Replacement Reserve Fund	Street Fund	Business Development Loan Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,044,718	\$ 5,226,732	\$ 379,938	\$ 414,267	\$ 978,930	\$ 1,427,760	\$ 10,472,345
Developer advances	12,167	-	-	-	-	-	12,167
Notes receivable	-	-	-	-	239,337	-	239,337
<b>Total assets</b>	<b>\$ 2,056,885</b>	<b>\$ 5,226,732</b>	<b>\$ 379,938</b>	<b>\$ 414,267</b>	<b>\$ 1,218,267</b>	<b>\$ 1,427,760</b>	<b>\$ 10,723,849</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Deposit and withholdings payable	\$ 14,775	\$ -	\$ -	\$ 6,500	\$ -	\$ -	\$ 21,275
Deferred revenue	-	-	-	-	239,337	-	239,337
<b>Total liabilities</b>	<b>14,775</b>	<b>-</b>	<b>-</b>	<b>6,500</b>	<b>239,337</b>	<b>-</b>	<b>260,612</b>
Fund balances:							
Restricted	1,685	4,276,732	-	407,767	978,930	987,894	6,653,008
Committed	126,222	950,000	379,938	-	-	439,866	1,896,026
Unassigned	1,914,203	-	-	-	-	-	1,914,203
<b>Total fund balances</b>	<b>2,042,110</b>	<b>5,226,732</b>	<b>379,938</b>	<b>407,767</b>	<b>978,930</b>	<b>1,427,760</b>	<b>10,463,237</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,056,885</b>	<b>\$ 5,226,732</b>	<b>\$ 379,938</b>	<b>\$ 414,267</b>	<b>\$ 1,218,267</b>	<b>\$ 1,427,760</b>	

**RECONCILIATION TO STATEMENT OF NET ASSETS:**

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in the governmental activities of \$28,418,444 net of accumulated depreciation of \$3,431,164 are not financial resources and, therefore, are not reported in the funds. 24,987,280

The balance of the business loan program receivable is offset by deferred revenue in the governmental funds because the receivable is not a current financial resource available to fund current expenditures. The amount is not deferred in the statement activities because the receivable represents an asset under the economic resources measurement focus. 239,337

Capital lease is reported in the Statement of Net Assets. However, if they are not due in the current period, it is not recorded in governmental funds. (94,159)

Net assets of governmental activities \$ 35,595,695

The notes to the financial statements are an integral part of this statement

# CITY OF JUNCTION CITY

## LANE COUNTY, OREGON

### Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis

#### Governmental Funds

For the Year Ended June 30, 2011

	General Fund Programs	DOC-IGA Infrastructure Capital Project	Building Replacement Reserve Fund	Street Fund	Business Development Loan Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property taxes	\$ 1,896,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,896,883
Franchise taxes	314,161	-	-	-	-	-	314,161
Other	10,442	-	-	1,005	-	-	11,447
Licenses and permits	110,440	-	-	-	-	-	110,440
Intergovernmental revenues	540,293	16,119,016	-	367,434	8,607	53,470	17,088,820
Charges for services	112,295	-	-	-	-	-	112,295
System development charges	10,435	-	-	-	-	55,270	65,705
Fines and penalties	225,376	-	-	-	-	-	225,376
Investment earnings	36,272	-	2,096	2,196	5,206	7,131	52,901
Principal received - loan program	-	-	-	-	20,647	-	20,647
Interest received - loan program	-	-	-	-	7,857	-	7,857
Contributions and donations	31,196	-	-	-	-	7,570	38,766
Other revenue	78,736	-	-	916	100	246	79,998
Total Revenues	<u>3,366,529</u>	<u>16,119,016</u>	<u>2,096</u>	<u>371,551</u>	<u>42,417</u>	<u>123,687</u>	<u>20,025,296</u>
<b>EXPENDITURES</b>							
Current :							
General government	863,603	10,342,284	55,243	-	-	13,781	11,274,911
Public safety	1,859,244	-	-	-	-	55,296	1,914,540
Highway and streets	-	-	-	241,201	-	10,238	251,439
Economic development	-	-	-	-	157,180	-	157,180
Culture and recreation	547,908	-	-	-	-	32,200	580,108
Total expenditures	<u>3,270,755</u>	<u>10,342,284</u>	<u>55,243</u>	<u>241,201</u>	<u>157,180</u>	<u>111,515</u>	<u>14,178,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>95,774</u>	<u>5,776,732</u>	<u>(53,147)</u>	<u>130,350</u>	<u>(114,763)</u>	<u>12,172</u>	<u>5,847,118</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	115,003	-	-	-	-	75,500	190,503
Transfers out	(39,500)	(550,000)	-	(109,000)	-	(35,003)	(733,503)
Total other financing source (uses)	<u>75,503</u>	<u>(550,000)</u>	<u>-</u>	<u>(109,000)</u>	<u>-</u>	<u>40,497</u>	<u>(543,000)</u>
Net change in fund balances	171,277	5,226,732	(53,147)	21,350	(114,763)	52,669	5,304,118
Fund balances - beginning	1,870,833	-	433,085	386,417	1,093,693	1,375,091	5,159,119
Fund balances - ending	<u>\$ 2,042,110</u>	<u>\$ 5,226,732</u>	<u>\$ 379,938</u>	<u>\$ 407,767</u>	<u>\$ 978,930</u>	<u>\$ 1,427,760</u>	<u>\$ 10,463,237</u>

The notes to the financial statements are an integral part of this statement



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds - Modified Cash Basis  
To the Statement of Activities - Modified Cash Basis  
For the Year Ended June 30, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	5,304,118
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$10,406,154) exceed depreciation (\$418,194) in the current period.

9,987,960

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Change in deferred revenues

129,353

The repayment of the principal of capital lease consumes the current financial resources of governmental funds. However, the principal payment has no effect on net assets. This is the amount of principal payment of the capital lease.

26,984

Change in net assets of governmental activities

\$ 15,448,415

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Statement of Net Assets - Modified Cash Basis  
Enterprise Funds  
June 30, 2011

	Business-Type Activities		
	Water Funds	Sewer Funds	Sanitation Funds
			Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,147,389	\$ 4,556,122	\$ 384,903
Total current assets	<u>1,147,389</u>	<u>4,556,122</u>	<u>384,903</u>
Noncurrent assets:			
Land	264,520	906,144	76,501
Construction in progress	205,490	292,526	-
Other capital assets, net of accumulated depreciation	<u>3,240,187</u>	<u>8,947,982</u>	<u>356,300</u>
Total noncurrent assets	<u>3,710,197</u>	<u>10,146,652</u>	<u>432,801</u>
Total assets	<u>\$ 4,857,586</u>	<u>\$ 14,702,774</u>	<u>\$ 817,704</u>
<b>LIABILITIES</b>			
Current liabilities:			
Deposits and withholdings payable	\$ 25	\$ -	\$ -
Capital lease payable - current portion	-	-	26,590
Note payable - current portion	<u>19,556</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>19,581</u>	<u>-</u>	<u>26,590</u>
Noncurrent liabilities:			
Note payable	<u>20,754</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>40,335</u>	<u>-</u>	<u>26,590</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,669,887	10,146,652	303,266
Restricted for systems development	213,732	1,885,916	-
Unrestricted	<u>933,632</u>	<u>2,670,206</u>	<u>487,848</u>
Total net assets	<u>4,817,251</u>	<u>14,702,774</u>	<u>791,114</u>
Total liabilities and net assets	<u>\$ 4,857,586</u>	<u>\$ 14,702,774</u>	<u>\$ 817,704</u>

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON**

Statement of Revenues, Expenses, and Changes in Fund Net Assets - Modified Cash Basis

Enterprise Funds

For the Year Ended June 30, 2011

	Business-Type Activities			
	Water Funds	Sewer Funds	Sanitation Funds	Total
Operating revenues:				
Charges for services	\$ 836,825	\$ 1,312,394	\$ 694,181	\$ 2,843,400
Miscellaneous	775	2,103	20,857	23,735
Total operating revenues	837,600	1,314,497	715,038	2,867,135
Operating expenses:				
Personal services	381,084	402,688	320,318	1,104,090
Materials and services	461,520	338,597	242,867	1,042,984
Depreciation	119,723	436,542	69,963	626,228
Total operating expenses	962,327	1,177,827	633,148	2,773,302
Operating income (loss)	(124,727)	136,670	81,890	93,833
Nonoperating revenues (expenses):				
Investment earnings	5,298	21,776	1,869	28,943
Interest expense	(3,601)	-	(1,168)	(4,769)
Total nonoperating revenues (expenses)	1,697	21,776	701	24,174
Income (loss) before capital contributions and transfers	(123,030)	158,446	82,591	118,007
Capital contributions:				
System development charges	18,936	133,623	-	152,559
Transfers in	550,000	-	-	550,000
Transfers out	(2,000)	(3,000)	(2,000)	(7,000)
Total transfers	548,000	(3,000)	(2,000)	543,000
Change in net assets	443,906	289,069	80,591	813,566
Total net assets - beginning	4,373,345	14,413,705	710,523	19,497,573
Total net assets - ending	\$ 4,817,251	\$ 14,702,774	\$ 791,114	\$ 20,311,139

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Statement of Cash Flows - Modified Cash Basis  
Enterprise Funds  
For the Year Ended June 30, 2011

	Business - Type Activities - Enterprise Funds			
	Water Funds	Sewer Funds	Sanitation Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 837,600	\$ 1,314,497	\$ 715,038	\$ 2,867,135
Payments to suppliers	(461,520)	(338,597)	(242,867)	(1,042,984)
Payments to employees	(381,084)	(402,688)	(320,318)	(1,104,090)
Net cash provided (used) by operating activities	(5,004)	573,212	151,853	720,061
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	550,000	-	-	550,000
Transfers out	(2,000)	(3,000)	(2,000)	(7,000)
Net cash provided (used) by noncapital financing activities	548,000	(3,000)	(2,000)	543,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(466,436)	(95,112)	(77,906)	(639,454)
System development charges	18,936	133,623	-	152,559
Interest paid on long-term debt	(3,601)	-	(1,168)	(4,769)
Principal paid on long-term debt	(18,426)	-	(26,012)	(44,438)
Net cash provided (used) by capital and related financing activities	(469,527)	38,511	(105,086)	(536,102)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	5,298	21,776	1,869	28,943
Net change in cash and cash equivalents	78,767	630,499	46,636	755,902
Cash and cash equivalents - beginning	1,068,622	3,925,623	338,267	5,332,512
Cash and cash equivalents - ending	\$ 1,147,389	\$ 4,556,122	\$ 384,903	\$ 6,088,414
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ (124,727)	\$ 136,670	\$ 81,890	\$ 93,833
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Decrease in receivables	119,723	436,542	69,963	626,228
Net cash provided (used) by operating activities	\$ (5,004)	\$ 573,212	\$ 151,853	\$ 720,061

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Statement of Fiduciary Net Assets - Modified Cash Basis  
Fiduciary Funds  
June 30, 2011

	Private-purpose Trust Fund		Shop with a Cop Trust Fund	Municipal Court Agency Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$	5,604	\$	22,578
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Fines and bails	\$	-	\$	22,578
Net Assets				
Held in trust		5,604		-
Total liabilities and net assets	\$	5,604	\$	22,578

The notes to the financial statements are an integral part of this statement

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Statement of Changes in Fiduciary Net Assets - Modified Cash Basis  
Fiduciary Funds  
For the Year Ended June 30, 2011

	<u>Shop with a Cop Trust Fund</u>
<b>ADDITIONS</b>	
Interest income	\$ 19
Donations	<u>3,763</u>
Total additions	<u>3,782</u>
<b>DEDUCTIONS</b>	
Benefits	<u>586</u>
Change in net assets	3,196
Net assets - beginning	<u>2,408</u>
Net assets - ending	<u>\$ 5,604</u>

The notes to the financial statements are an integral part of this statement

**NOTES TO THE FINANCIAL STATEMENTS**





## CITY OF JUNCTION CITY

### LANE COUNTY, OREGON

#### Notes to the Financial Statements

June 30, 2011

#### **Note I - Summary of significant accounting policies**

As discussed further in Note I.C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

#### **A. Reporting entity**

The City of Junction City ("City") was incorporated in 1872. The City has a population of approximately 5,445, includes a geographical area of approximately two square miles, and operates under a council / administrator form of government. Major services provided by the City include police protection, planning/land use, building permitting, community services, street maintenance, garbage collection, sewer services, and water services.

The accompanying financial statements present the City as the primary government. The City has no component units, which are legally separate organizations fiscally dependent on the City or for which the City is financially accountable. The City is a municipal corporation governed by a council comprised of six members and a Mayor, who are elected at large.

The City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

#### **B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly classified as program revenues are reported as *general revenues*.

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are classified and summarized as governmental, proprietary, and fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column with each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

**Notes to the Financial Statements**

June 30, 2011

**Note I - Summary of significant accounting policies, continued**

**B. Government-wide and fund financial statements, continued**

The City reports the following major governmental funds:

**General Fund** - is the general operating fund of the City. It accounts for all the financial operations of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, licenses and permits, intergovernmental revenues, various fees for services provided, and interest income. The General Fund accounts for the general operating expenditures of the City not recorded elsewhere.

**DOC-IGA Infrastructure Capital Project Fund** - accounts for revenues received from the State of Oregon to design and construct system improvements using a combination of the City staff and contracted services as defined by the agreement.

**Street Fund** - accounts for revenues received from state gasoline taxes which are to be expended for the purpose of construction, reconstruction, maintenance and use of public highways, streets and roadside rest areas.

**Building Replacement Reserve Fund** - accounts for the accumulation of cash reserves to make needed building improvements and acquisitions.

**Business Development Loan Fund** - accounts for the administration and granting of loans. Revenue is generated from the repayment of the loans.

The City reports each of its three proprietary funds as major funds. Each of the funds includes two or more budgetary funds that have been consolidated for financial reporting purposes. These funds are used to account for the acquisition, operation, maintenance and improvement of water, sewer, and sanitation facilities. These funds are entirely or predominantly self-supported through user charges to customers. The City reports the following proprietary funds:

**Water Fund**

Water Operating Fund

Water System Improvement Fund

Water Equipment Reserve Fund

Water System Development Fund

**Sewer Fund**

Sewer Operating Fund

Sewer Ratepayer Assistance Fund

Sewer Equipment Reserve Fund

Sewer System Development Fund

Sewer System Improvement Fund

**Sanitation Fund**

Sanitation Operating Fund

Sanitation Equipment Reserve

Sanitation System Improvement Fund

## CITY OF JUNCTION CITY

### LANE COUNTY, OREGON

#### Notes to the Financial Statements

June 30, 2011

#### **Note I - Summary of significant accounting policies, continued**

##### **B. Government-wide and fund financial statements, continued**

**Fiduciary Funds** account for the assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and / or other funds. Fiduciary funds include the following funds:

*Municipal Court Fund* - accounts for fines and bail monies collected by the Junction City Municipal Court.

*Shop With A Cop Trust Fund* - accounts for donations received for the specific purpose of providing Christmas shopping excursions for children with members of the police department.

##### **C. Measurement focus, basis of accounting, and financial statement presentation**

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the *economic resources measurement focus* within the limitations of the *modified cash basis of accounting*. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position, and cash flows. All assets and liabilities associated with their activities are reported.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included in governmental fund balance sheets. Governmental fund operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as the measure of available spendable financial resources at the end of the period.

In the government-wide Statement of Net Assets and Statement of Activities and in the fund financial statements, governmental, and business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The City has elected not to apply FASB guidance issued subsequent to November 30, 1989 to the government-wide statement of net assets and the statement of activities and to business-type activities, unless specifically adopted by the GASB.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges for services and miscellaneous revenue. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Capital contributions consist of contributed capital assets and system development charges that are legally restricted by state law to capacity-enhancing projects for the sewer systems, water systems, street systems, and parks facilities.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed. For governmental funds, the City uses committed funds first, followed by unassigned fund balance amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

## CITY OF JUNCTION CITY

### LANE COUNTY, OREGON

#### Notes to the Financial Statements

June 30, 2011

#### **Note I - Summary of significant accounting policies, continued**

##### **D. Assets, liabilities, and net assets or equity**

###### **1. Deposits and investment**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and the City's investment in the State of Oregon Local Government Investment Pool ("LGIP"). State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. The LGIP is reported at cost which approximates fair value.

###### **2. Loans receivable /deferred revenue**

The loans receivable balance is stated at the amount management expects to collect from borrowers. Management evaluates the credit risk of specific customers, historical trends, collateral, and other information relating to the notes receivable portfolio. At June 30, 2011, management believes uncollectible amounts are immaterial; accordingly, no allowance for doubtful accounts has been provided. The loans are offset by deferred revenue in the governmental funds as the loans do not represent a current financial resource.

###### **3. Property taxes**

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one third of taxes are due November 15th, the second one-third on February 15th. A two percent discount is allowed if two thirds of the taxes are paid by November 15th. Taxes become delinquent if not paid fully by May 15 and interest accrues after each trimester at a rate of one percent per month. If, after three years from the tax due date, taxes are still unpaid, counties initiate tax foreclosure proceedings.

###### **4. Capital assets**

The City's modified cash basis of accounting reports capital assets resulting from cash transactions and from the capital lease; and reports depreciation where appropriate. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as tangible or intangible assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 - 40
Infrastructure	10 - 40
Building improvements	10 - 40
Vehicles	2 - 10
Office equipment	3 - 10
Computer equipment	3 - 10

GASB Statement 34 includes provisions to minimize the burden of retroactively applying the capitalization requirement for general infrastructure assets. Infrastructure assets acquired prior to the implementation of GASB 34 need not be capitalized. The City is applying these provisions and has capitalized only those infrastructure assets acquired after June 30, 2003.

## **CITY OF JUNCTION CITY**

### **LANE COUNTY, OREGON**

#### **Notes to the Financial Statements**

June 30, 2011

#### **Note I - Summary of significant accounting policies, continued**

##### **D. Assets, liabilities, and net assets or equity, continued**

##### **5. Junction City Police Department lost/found funds**

In 2009, the City set up a bank account to deposit money that **was** held in the Junction City Police Department Evidence Room. The purpose of this account is to handle evidential money and found money turned into the Police Department. Evidential money is held until either a court order is received to release the money or until the State's process for forfeitures is completed. Unclaimed found money, if requested, can be given to the finder after 90 days have passed and after complying with Oregon law including, but not limited to, publishing notices in the local paper. The account balance at year end was \$7,855. This amount, reported as "Deposits and withholdings payable" in the general fund financial statements, represents the unclaimed and non-forfeited money at year end that might be claimed, ordered returned, or released in the future.

##### **6. Long-term obligations**

All long-term debt arising from cash basis transactions is reported as liabilities in the government-wide statements and the proprietary (enterprise) funds.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, while the payment of principal and interest is reported as expenditures.

##### **7. Fund balance**

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale. The City does not have a nonspendable fund balance at June 30, 2011.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes an ordinance that places specific constraints on how the resources may be used. The City Council can modify or rescind the ordinance at any time through passage of an additional ordinance.

Resources that are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. The City does not have an assigned fund balance at June 30, 2011.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. The classification is also used to report any negative fund balance amounts in other governmental funds.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

**Notes to the Financial Statements**

June 30, 2011

**Note I - Summary of significant accounting policies, continued**

**D. Assets, liabilities, and net assets or equity, continued**

**7. Fund balance, continued**

Fund Balances by classification for year ended June 30, 2010 were restated due to the implementation of GASB 54. Three funds that were formerly classified as special revenue funds were combined with the general fund for financial reporting purposes. The following funds and fund balances were combined with the general fund: Viking Sal Senior Center Fund (\$5,735); Health Insurance Fund (\$139,503); Cumulative Law Enforcement Reserve Fund (\$1,685) as a result of change in fund classification.

	General Fund Programs	Other Governmental Fund
<u>Fund Balance</u>		
June 30, 2010 as previously reported	\$ 1,723,910	\$ 1,522,014
GASB 54 reclassification	<u>146,923</u>	<u>(146,923)</u>
Restated fund balances June 30, 2010	<u>\$ 1,870,833</u>	<u>\$ 1,375,091</u>

**E. Budgetary information**

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. Except for the agency funds, the City is required by law to budget all funds. The budgetary level of control is appropriated by fund, and object (i.e. personal services, materials and services, capital outlay, debt service, interfund transfers, and contingency). Appropriations lapse as of the year end. The City does not use encumbrance accounting.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publication in newspapers, and adoption by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may transfer budget amounts between individual line items within the object group, but cannot make changes to the object groups themselves, which is the legal level of control. During the year, the City modified its adopted budget with a number of transfer resolutions and supplemental budgets.

**Note II - Detailed notes on all funds**

**A. Deposits and investments**

The City combines virtually all financial resources for investment purposes. Interest earned on investments is allocated to funds based on the amounts contributed by each fund. Each fund's portion is displayed in the basic financial statements as "Cash and cash equivalents."

Oregon Revised Statutes, Chapter 294, authorizes the City to invest in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by a qualified financial institution, commercial paper, corporate bonds, repurchase agreements, State of Oregon Local Government Investment Pool ("LGIP"), and various interest-bearing bonds of Oregon Municipalities.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

**Notes to the Financial Statements**

June 30, 2011

**Note II - Detailed notes on all funds, continued**

**A. Deposits and investments, continued**

The City is authorized to invest in the LGIP, an external investment pool, within prescribed limits. The investments are booked at fair value which approximates cost. The LGIP investments are governed by a written investment policy that is reviewed annually by the Oregon Short-Term Fund Board. The Oregon Short-term Fund Board is comprised of members of local government and private investment professionals, who are appointed by the Governor of the State of Oregon.

At year end, the City's cash and cash equivalents include the following:

Cash on hand	\$ 1,400		
Cash in banks	83,282		
LGIP	<u>16,504,259</u>		
Total	<u>\$ 16,588,941</u>		
	Government-	Fiduciary	
	wide	Funds	
	<u>Statements</u>	<u></u>	<u>Total</u>
Cash and cash equivalents	<u>\$ 16,560,759</u>	<u>\$ 28,182</u>	<u>\$ 16,588,941</u>

**Custodial credit risk - deposits.** This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk, but follows the requirements of ORS 295. The City's cash is covered by federal depository insurance or by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral with a value of at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. At June 30, 2011, the City has deposits of \$88,282 insured by federal depository insurance.

**Interest rate risk -** While the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP. The LGIP's portfolio concentration of credit risk at June 30, 2011 included: Corporate notes (45.7%), U.S. Government and Agency Securities (38.5%), Commercial Paper (2.7%), Government Securities (0.6%), Bank Notes (1.2%), Government Guaranteed Corporate Securities (10.7%), and Certificates of Deposits (0.6%). The credit risk associated with the investments was: AAA rating (48.0%), AA rating (18.1%), A rating (32.5%), BBB rating (0.2%), ratings withdrawn (0.5%), and not rated (0.6%).

**Credit risk -** The City has no investment policy for credit risk but follows State law. In practice, the City limits investments to the LGIP, which is not rated. The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested using the prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission. The investments are regulated by OSTF and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2011, the fair value of the City's deposits with the LGIP approximates cost. The OSTF financial statements are available at <http://www.ost.state.or.us/>.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

**Notes to the Financial Statements**

June 30, 2011

**Note II - Detailed notes on all funds, continued**

**B. Loan receivables**

The City has a program in which qualifying businesses receive financing from the City to provide for business expansion and job creation within the City. These loans are managed by the City and the repayments must be used to finance additional loans to the qualifying businesses in the future. During the year ended June 30, 2011, activity in the Business Development Loan Fund was as follows:

	<u>Balance at beginning of year</u>	<u>New loans</u>	<u>Principal received</u>	<u>Balance at end of year</u>
Business development loan receivables	\$ 109,984	\$ 150,000	\$ 20,647	\$ 239,337

**C. Interfund transfers**

<u>Transfers out of:</u>	<u>Transfers in to:</u>			
	<u>Nonmajor governmental funds</u>	<u>General fund program</u>	<u>Water fund</u>	<u>Total</u>
General fund programs	\$ 39,500	\$ -	\$ -	\$ 39,500
DOC-IGA infrastructure capital project fund			550,000	550,000
Street fund	9,000	100,000		109,000
Water fund	2,000	-	-	2,000
Sewer fund	3,000	-	-	3,000
Sanitation fund	2,000	-	-	2,000
Nonmajor governmental funds	<u>20,000</u>	<u>15,003</u>	<u>-</u>	<u>35,003</u>
Total	<u>\$ 75,500</u>	<u>\$ 115,003</u>	<u>\$ 550,000</u>	<u>\$ 740,503</u>

During the year, transfers were made to move unrestricted revenues in the General fund, Street fund, Water fund, Sewer fund, and Sanitation fund to various reserve funds.

Transfers from Street fund to General fund was to repay the General fund for a transfer made in FY2009/2010 for possible street projects. These projects were ultimately not completed, therefore the funds were budgeted and repaid back to the General fund.

Transfers from DOC fund to Water system improvement fund is a short-term loan to the Water system improvement fund to be used for the Raw Water Line and Iron Pipe Replacement project. The loan is budgeted and will be repaid in FY2011/2012.



**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Notes to the Financial Statements

June 30, 2011

**Note II - Detailed notes on all funds, continued**

**D. Capital assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,744,444	\$ 240,838	\$ -	\$ 2,985,282
Construction in progress	<u>6,693,359</u>	<u>9,933,120</u>	<u>-</u>	<u>16,626,479</u>
Total capital assets, not being depreciated	<u>9,437,803</u>	<u>10,173,958</u>	<u>-</u>	<u>19,611,761</u>
Capital assets, being depreciated:				
Other improvements	2,827,765	46,511	-	2,874,276
Machinery and equipment	1,607,904	185,685	(19,021)	1,774,568
Infrastructure	<u>4,157,839</u>	<u>-</u>	<u>-</u>	<u>4,157,839</u>
Total capital assets being depreciated	<u>8,593,508</u>	<u>232,196</u>	<u>(19,021)</u>	<u>8,806,683</u>
Less accumulated depreciation for:				
Other improvements	1,759,033	38,477	-	1,797,510
Machinery and equipment	625,898	171,825	(19,021)	778,702
Infrastructure	<u>647,060</u>	<u>207,892</u>	<u>-</u>	<u>854,952</u>
Total accumulated depreciation	<u>3,031,991</u>	<u>418,194</u>	<u>(19,021)</u>	<u>3,431,164</u>
Total capital assets, being depreciated, net	<u>5,561,517</u>	<u>(185,998)</u>	<u>-</u>	<u>5,375,519</u>
Governmental activities capital assets, net	<u>\$ 14,999,320</u>	<u>\$ 9,987,960</u>	<u>\$ -</u>	<u>\$ 24,987,280</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Notes to the Financial Statements  
June 30, 2011

**Note II - Detailed notes on all funds, continued**

**D. Capital assets, continued**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,247,165	\$ -	\$ -	\$ 1,247,165
Construction in progress	<u>292,526</u>	<u>205,490</u>	<u>-</u>	<u>498,016</u>
Total capital assets, not being depreciated	<u>1,539,691</u>	<u>205,490</u>	<u>-</u>	<u>1,745,181</u>
Capital assets, being depreciated:				
Machinery and equipment	1,477,938	198,533	(32,142)	1,644,329
Utility property and improvements	19,705,008	235,431	-	19,940,439
Infrastructure	<u>148,129</u>	<u>-</u>	<u>-</u>	<u>148,129</u>
Total capital assets being depreciated	<u>21,331,075</u>	<u>433,964</u>	<u>(32,142)</u>	<u>21,732,897</u>
Less accumulated depreciation for:				
Machinery and equipment	874,820	100,228	(32,142)	942,906
Utility property and improvements	7,675,085	518,594	-	8,193,679
Infrastructure	<u>44,437</u>	<u>7,406</u>	<u>-</u>	<u>51,843</u>
Total accumulated depreciation	<u>8,594,342</u>	<u>626,228</u>	<u>(32,142)</u>	<u>9,188,428</u>
Total capital assets, being depreciated, net	<u>12,736,733</u>	<u>(192,264)</u>	<u>-</u>	<u>12,544,469</u>
Business-type activities capital assets, net	<u>\$ 14,276,424</u>	<u>\$ 13,226</u>	<u>\$ -</u>	<u>\$ 14,289,650</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 179,265
Public safety	472
Highways and streets	227,377
Culture and recreation	<u>11,080</u>
Total depreciation expense - governmental activities	<u>\$ 418,194</u>
<b>Business-type activities:</b>	
Water	\$ 119,723
Sewer	436,542
Sanitation	<u>69,963</u>
Total depreciation expense - business-type activities	<u>\$ 626,228</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**Notes to the Financial Statements**  
**June 30, 2011**

**Note II - Detailed notes on all funds, continued**

**E. Leases**

**Operating Leases**

The City entered into a non-cancelable operating lease for the utility billing system on October 2001 with Old National Bank, formerly Public Capital Corporation. The total rental expenses were \$53,494 for the year ended June 30, 2011. The future minimum lease payment for this lease is as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2012	\$ 53,494

**Capital Leases**

(1) On January 15, 2008, the City entered into a lease agreement with Otto Equipment Finance, LLC. as lessee for the acquisition of approximately 3,100 containers for garbage and recycling services. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

(2) On November 9, 2009, the City entered into a lease agreement with Auto Leasing Specialists, LLC as lessee for the acquisition of three 2009 Chevy Tahoe vehicles. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b>Asset:</b>		
Equipment	\$ 157,516	\$ 130,125
Less: accumulated depreciation	<u>(46,561)</u>	<u>(78,075)</u>
Total	<u>\$ 110,955</u>	<u>\$ 52,050</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2012	\$ 36,373	\$ 27,180
2013	36,373	-
2014	<u>36,373</u>	<u>-</u>
Total minimum lease payments	109,119	27,180
Less: amount representing interest	<u>(14,958)</u>	<u>(590)</u>
Total	<u>\$ 94,161</u>	<u>\$ 26,590</u>

**CITY OF JUNCTION CITY****LANE COUNTY, OREGON****Notes to the Financial Statements**

June 30, 2011

**Note II - Detailed notes on all funds, continued****F. Long-term debt****The State of Oregon - Water**

On July 14, 1993, the City entered into a special Public Works Fund Financial Assistance Award Contract with the State of Oregon through the State's Economic Development Department. The original loan amount of \$250,000 requires annual payments of \$22,027 amortized over 20 years at an interest rate of 6.13%. The loan is reported in the Water Enterprise Fund. The schedule of future loan payments is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 19,556	\$ 2,471
2013	20,754	1,272
	<u>\$ 40,310</u>	<u>\$ 3,743</u>

Long-term liability activity for the year ended June 30, 2011 was as follows:

<u>Governmental activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Capital lease	\$ 121,143	\$ -	\$ (26,984)	\$ 94,159	\$ 29,075
<u>Business-type activities</u>					
State of Oregon Loan - Water	\$ 58,736	\$ -	\$ (18,426)	\$ 40,310	\$ 19,556
Capital lease obligation	52,602	-	(26,012)	26,590	26,590
Total business-type activities	<u>\$ 111,338</u>	<u>\$ -</u>	<u>\$ (44,438)</u>	<u>\$ 66,900</u>	<u>\$ 46,146</u>

Interest expense for State of Oregon Loan was \$3,601 - all reported in the Water Enterprise Fund. Interest expense for Capital lease of garbage containers was \$1,168 - all reported in the Sanitation Enterprise Fund.

**Note III - Other information****A. Employee retirement system and pension plan**

**Plan Description/Funding Policies** - The City is a participating employer in the Oregon Public Employees Retirement System (OPERS), which provides statewide defined benefit and defined contribution retirement plans for units of state government, political subdivisions, community colleges, and school districts. OPERS is administered under Oregon Revised Statutes Chapter 238, and Internal Revenue Code Section 401(a) by the Oregon Public Employees Retirement Board (OPERB).

Cities, counties, and special districts that participate in OPERS may choose to join the State and Local Government Rate Pool (SLGRP). State agencies, community colleges, and public institutions of higher education are required by law to be part of the pool. All Oregon school districts are required by law to be part of a separate school district pool. Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all of the pooled participants. The City has elected to join the SLGRP. For members of the SLGRP, OPERS is a cost-sharing, multiple-employer plan.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

**Notes to the Financial Statements**

**June 30, 2011**

**Note III - Other information, continued**

**A. Employee retirement system and pension plan, continued**

OPERS, a component unit of the State of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281, by calling (503) 598-7377, or by accessing the PERS web site at <http://oregon.gov/PERS/>

City employees participate in one or more OPERS retirement plans that provide pension, death, disability, and post-employment healthcare benefits to members and their beneficiaries:

- PERS (Public Employee Retirement System) is a defined benefit pension plan provided to members or their beneficiaries who were hired prior to August 29, 2003. In 1995, the Legislature enacted a second level or "tier" of PERS benefits for persons who established PERS membership on or after January 1, 1996. These Tier Two members do not have the Tier One assumed earnings rate guarantee, and have a higher normal retirement age of 60, compared to 58 for Tier One. Employer contributions to PERS are required by state statute and are made at actuarially determined rates as adopted by the OPERB. The City's current annual required contribution rate of 10.45% was based on a December 31, 2007 actuarial evaluation. The most recent actuarial valuation was prepared as of December 31, 2009. Effective July 2011, the rate will be 14.88%.
- OPSRP (Oregon Public Service Retirement Plan) is a hybrid retirement plan with two components: a defined benefit pension plan and a defined contribution pension plan.

The defined benefit pension plan is provided to members or their beneficiaries who were hired on or after August 29, 2003. Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the OPERB. The City's current required contribution rates for the OPSRP defined benefit pension plan are 8.18% for general service employees and 10.89% for police and fire employees. Effective July 2011, the rate will be 10.41% for general service employees and 13.12% for police and fire employees.

The defined contribution pension plan (called the Individual Account Program, or IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6% of their annual covered salary to the IAP plan effective January 1, 2004. The City has elected to contribute the 6% "pick-up" for the year ended June 30, 2011. Plan members of PERS retain their existing PERS accounts, but member contributions beginning in 2004 are deposited in the member's IAP, not into the member's PERS account.

**Annual Pension Cost** - All participating employers are required by law to submit the contributions as adopted by the OPERB. The City's contributions, exclusive of the 6% "pick-up" for the years ending June 30, 2011, 2010 and 2009, were \$328,795, \$330,331, and \$356,642 respectively, equal to the required contributions for each year.

**B. Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries; and natural disasters for which the City carries commercial insurance. Settled claims have not exceeded coverage in any of the last three years.

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

**Notes to the Financial Statements**

June 30, 2011

**Note III - Other information, continued**

**C. Recently issued accounting guidance**

Management is determining the effect on its financial statements of the following recently issued accounting standards.

GASB Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, is effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA, issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. This statement also supersedes Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, thereby eliminating the election provided in paragraph 7 of that statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements.

**D. Construction commitment**

The City is extending water and sewer services to the site of the new State Mental Health Facility (Hospital) and Corrections complex (Prison). The City has been working with the Department of Corrections to improve City infrastructure (primarily water and sewer) in preparation for the new facilities. Currently, the State is providing the City \$27,191,750 to do necessary planning and advance construction. The City has nearly \$16.4 million in construction contracts now in effect. Under the current contracts, work is being done to extend pipelines, build two new water towers, build a ground storage water reservoir, build a new pump station, make improvements to a sewer pump station and construct sewer force mains. Yet to be contracted for with the State are water and sewer treatment systems. Expenditures for these construction projects are reported in the DOC-IGA Infrastructure Capital Projects Fund and are included in capital outlay expenditures. Following is a summary of the construction projects and remaining commitment by bid package as of June 30, 2011:

<u>Bid Package</u>	<u>Contractor</u>	<u>Contract Value, as amended</u>	<u>Expended</u>	<u>Remaining</u>
1	Emery & Sons	\$ 6,827,625	\$ (4,642,150)	\$ 2,185,475
2	Eugene Sand and Gravel	1,767,806	(1,668,903)	98,903
3	Phoenix Fabricators	2,600,618	(2,227,841)	372,777
4	2G Construction	1,890,268	(1,701,406)	188,862
5a	Hanson Drilling	170,866	(170,866)	-
5b	Alpine Construction	439,631	(439,631)	-
5c	The Automation Group	337,341	(337,341)	-
6	Marion Construction	2,361,870	(2,116,885)	244,985
Total		<u>\$ 16,396,025</u>	<u>\$ (13,305,023)</u>	<u>\$ 3,091,002</u>

**SUPPLEMENTARY INFORMATION**





### **General Fund Programs**

- General Fund
- Viking Sal Senior Center Fund
- Health Insurance Fund
- Cumulative Law Enforcement Reserve Fund
- Community Services Center Fund



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Combining Balance Sheet - Modified Cash Basis  
General Fund Programs  
June 30, 2011

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Cumulative Law Enforcement Reserve</u>	<u>Community Services Center Fund</u>	<u>Total General Fund Programs</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,916,811	\$ 15,111	\$ 89,419	\$ 1,685	\$ 21,692	\$ 2,044,718
Developer advances	<u>12,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,167</u>
Total assets	<u>\$ 1,928,978</u>	<u>\$ 15,111</u>	<u>\$ 89,419</u>	<u>\$ 1,685</u>	<u>\$ 21,692</u>	<u>\$ 2,056,885</u>
<b>LIABILITIES AND FUND BALANCES:</b>						
Liabilities:						
Deposit and withholdings payable	<u>\$ 14,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,775</u>
Fund balances:						
Restricted	-	-	-	1,685	-	1,685
Committed	-	15,111	89,419	-	21,692	126,222
Unassigned	<u>1,914,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,914,203</u>
Total fund balances	<u>1,914,203</u>	<u>15,111</u>	<u>89,419</u>	<u>1,685</u>	<u>21,692</u>	<u>2,042,110</u>
Total liabilities and fund balances	<u>\$ 1,928,978</u>	<u>\$ 15,111</u>	<u>\$ 89,419</u>	<u>\$ 1,685</u>	<u>\$ 21,692</u>	<u>\$ 2,056,885</u>

**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis

General Fund Programs

For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>Viking Sal Senior Center Fund</u>	<u>Health Insurance Fund</u>	<u>Cumulative Law Enforcement Reserve</u>	<u>Community Services Center Fund</u>	<u>Total General Fund Programs</u>
<b>REVENUES</b>						
Taxes	\$ 2,221,486	\$ -	\$ -	\$ -	\$ -	\$ 2,221,486
Licenses and permits	110,440	-	-	-	-	110,440
Intergovernmental revenues	537,201	1,500	-	-	1,592	540,293
Charges for services	102,910	9,385	-	-	-	112,295
System development charges	10,435	-	-	-	-	10,435
Fines and penalties	225,376	-	-	-	-	225,376
Investment earnings	35,542	50	640	-	40	36,272
Contributions and donations	367	24,516	-	-	7,013	31,896
Other revenue	20,658	27,219	-	-	30,159	78,036
Total revenues	<u>3,264,415</u>	<u>62,670</u>	<u>640</u>	<u>-</u>	<u>38,804</u>	<u>3,366,529</u>
<b>EXPENDITURES</b>						
Current						
General government	722,243	50,794	50,724	-	39,842	863,603
Public safety	1,859,244	-	-	-	-	1,859,244
Culture and recreation	547,908	-	-	-	-	547,908
Total expenditures	<u>3,129,395</u>	<u>50,794</u>	<u>50,724</u>	<u>-</u>	<u>39,842</u>	<u>3,270,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>135,020</u>	<u>11,876</u>	<u>(50,084)</u>	<u>-</u>	<u>(1,038)</u>	<u>95,774</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	107,500	-	-	-	22,730	130,230
Transfers out	<u>(52,227)</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,727)</u>
Total other financing sources (uses)	<u>55,273</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>	<u>22,730</u>	<u>75,503</u>
Net change in fund balances	190,293	9,376	(50,084)	-	21,692	171,277
Fund balances - beginning	<u>1,723,910</u>	<u>5,735</u>	<u>139,503</u>	<u>1,685</u>	<u>-</u>	<u>1,870,833</u>
Fund balances - ending	<u>\$ 1,914,203</u>	<u>\$ 15,111</u>	<u>\$ 89,419</u>	<u>\$ 1,685</u>	<u>\$ 21,692</u>	<u>\$ 2,042,110</u>

**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON  
GENERAL FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Property taxes	\$ 1,883,366	\$ 1,883,366	\$ 1,896,883	\$ 13,517
Franchise taxes	362,781	362,781	314,161	(48,620)
Other taxes	8,500	8,500	10,442	1,942
Licenses and permits	150,178	150,178	110,440	(39,738)
Intergovernmental revenues	565,406	565,406	537,201	(28,205)
Charges for services	46,900	46,900	102,910	56,010
Fines and penalties	219,600	219,600	225,376	5,776
Investment earnings	50,000	50,000	35,542	(14,458)
System development charges	26,200	26,200	10,435	(15,765)
Support	50	50	367	317
Other revenue	21,155	21,155	20,658	(497)
Total revenues	<u>3,334,136</u>	<u>3,334,136</u>	<u>3,264,415</u>	<u>(69,721)</u>
<b>Expenditures:</b>				
Personal services	2,346,435	2,346,435	2,267,097	79,338
Materials and services	1,100,070	1,100,070	862,298	237,772
Capital outlay	100	100	-	100
Contingency	50,000	45,323	-	45,323
Total expenditures	<u>3,496,605</u>	<u>3,491,928</u>	<u>3,129,395</u>	<u>362,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(162,469)</u>	<u>(157,792)</u>	<u>135,020</u>	<u>292,812</u>
<b>Other financing sources (uses):</b>				
Transfers in	107,500	107,500	107,500	-
Transfers out	<u>(47,550)</u>	<u>(52,227)</u>	<u>(52,227)</u>	<u>-</u>
Net change in fund balances	<u>(102,519)</u>	<u>(102,519)</u>	<u>190,293</u>	<u>292,812</u>
<b>Fund balance:</b>				
Beginning of year	<u>1,693,847</u>	<u>1,693,847</u>	<u>1,723,910</u>	<u>30,063</u>
End of year	<u>\$ 1,591,328</u>	<u>\$ 1,591,328</u>	<u>\$ 1,914,203</u>	<u>\$ 322,875</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**GENERAL FUND**  
Schedule of Expenditures by Departments  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Government:				
Finance:				
Personal services	\$ 66,764	\$ 66,764	\$ 68,240	\$ (1,476)
Materials and services	20,730	20,730	13,839	6,891
Total Finance	<u>87,494</u>	<u>87,494</u>	<u>82,079</u>	<u>5,415</u>
Administration:				
Personal services	78,350	78,350	75,165	3,185
Materials and services	20,650	20,650	8,732	11,918
Total Administration	<u>99,000</u>	<u>99,000</u>	<u>83,897</u>	<u>15,103</u>
Miscellaneous:				
Materials and services	<u>400,970</u>	<u>400,970</u>	<u>255,303</u>	<u>145,667</u>
Building/Planning:				
Personal services	148,522	148,522	143,131	5,391
Materials and services	229,046	229,046	157,833	71,213
Total Building/Planning	<u>377,568</u>	<u>377,568</u>	<u>300,964</u>	<u>76,604</u>
Total General Government	<u>965,032</u>	<u>965,032</u>	<u>722,243</u>	<u>242,789</u>
Police:				
Personal services	1,535,965	1,535,965	1,458,195	77,770
Materials and services	219,650	219,650	223,233	(3,583)
Total Police	<u>1,755,615</u>	<u>1,755,615</u>	<u>1,681,428</u>	<u>74,187</u>
Culture and Recreation:				
Senior Service:				
Personal services	<u>58,405</u>	<u>58,405</u>	<u>71,531</u>	<u>(13,126)</u>
Community Service:				
Personal services	71,094	71,094	69,489	1,605
Total Community Service	<u>71,094</u>	<u>71,094</u>	<u>69,489</u>	<u>1,605</u>
Library:				
Personal services	120,141	120,141	117,112	3,029
Materials and services	35,013	35,013	33,505	1,508
Total Library	<u>155,154</u>	<u>155,154</u>	<u>150,617</u>	<u>4,537</u>
Swimming Pool:				
Personal services	58,689	58,689	59,855	(1,166)
Materials and services	32,031	32,031	31,315	716
Total Swimming Pool	<u>90,720</u>	<u>90,720</u>	<u>91,170</u>	<u>(450)</u>
Parks Maintenance:				
Personal services	124,991	124,991	126,949	(1,958)
Materials and services	43,890	43,890	38,152	5,738
Total Parks Maintenance	<u>168,881</u>	<u>168,881</u>	<u>165,101</u>	<u>3,780</u>
Total Culture and Recreation	<u>544,254</u>	<u>544,254</u>	<u>547,908</u>	<u>(3,654)</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**GENERAL FUND**  
Schedule of Expenditures by Departments  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Municipal Court:				
Personal services	83,514	83,514	77,431	6,083
Materials and services	<u>98,090</u>	<u>98,090</u>	<u>100,385</u>	<u>(2,295)</u>
Total Municipal Court	<u>181,604</u>	<u>181,604</u>	<u>177,816</u>	<u>3,788</u>
Contingency	<u>50,000</u>	<u>45,323</u>	<u>-</u>	<u>45,323</u>
Capital Outlay	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>\$ 3,496,605</u>	<u>\$ 3,491,928</u>	<u>\$ 3,129,395</u>	<u>\$ 362,533</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**VIKING SAL SENIOR CENTER FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenues	\$ 10,500	\$ 10,500	\$ 1,500	\$ (9,000)
Charges for services	7,800	7,800	9,385	1,585
Investment earnings	40	40	50	10
Support	35,250	35,250	24,516	(10,734)
Other revenue	<u>23,600</u>	<u>23,600</u>	<u>27,219</u>	<u>3,619</u>
Total revenues	<u>77,190</u>	<u>77,190</u>	<u>62,670</u>	<u>(14,520)</u>
Expenditures:				
Personal services	6,851	6,851	6,771	80
Materials and services	62,945	62,945	44,023	18,922
Capital outlay	200	200	-	200
Contingency	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>73,996</u>	<u>73,996</u>	<u>50,794</u>	<u>23,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,194</u>	<u>3,194</u>	<u>11,876</u>	<u>8,682</u>
Other financing sources (uses):				
Transfers out	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Net change in fund balance	694	694	9,376	8,682
Fund balance:				
Beginning of year	<u>5,000</u>	<u>5,000</u>	<u>5,735</u>	<u>735</u>
End of year	<u>\$ 5,694</u>	<u>\$ 5,694</u>	<u>\$ 15,111</u>	<u>\$ 9,417</u>



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**HEALTH INSURANCE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	<u>\$         600</u>	<u>\$         600</u>	<u>\$         640</u>	<u>\$          40</u>
Expenditures:				
Personal services	135,000	135,000	50,724	84,276
Materials and services	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	140,000	140,000	50,724	89,276
Net change in fund balance	(139,400)	(139,400)	(50,084)	89,316
Fund balance:				
Beginning of year	<u>139,909</u>	<u>139,909</u>	<u>139,503</u>	<u>(406)</u>
End of year	<u>\$         509</u>	<u>\$         509</u>	<u>\$        89,419</u>	<u>\$        88,910</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**CUMULATIVE LAW ENFORCEMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ <u>1</u>	\$ <u>1</u>	\$ <u>-</u>	\$ <u>(1)</u>
Expenditures:				
Materials and services	<u>25</u>	<u>25</u>	<u>-</u>	<u>25</u>
Capital outlay	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>525</u>	<u>525</u>	<u>-</u>	<u>525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(524)</u>	<u>(524)</u>	<u>-</u>	<u>524</u>
Net change in fund balance	<u>(524)</u>	<u>(524)</u>	<u>-</u>	<u>524</u>
Fund balance:				
Beginning of year	<u>1,410</u>	<u>1,410</u>	<u>1,685</u>	<u>275</u>
End of year	<u>\$ 886</u>	<u>\$ 886</u>	<u>\$ 1,685</u>	<u>\$ 799</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**COMMUNITY SERVICES CENTER FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 4,000	\$ 4,000	\$ 1,592	\$ (2,408)
Investment earnings	10	10	40	30
Support	10,000	10,000	7,013	(2,987)
Other revenue	<u>37,700</u>	<u>37,700</u>	<u>30,159</u>	<u>(7,541)</u>
Total revenues	<u>51,710</u>	<u>51,710</u>	<u>38,804</u>	<u>(12,906)</u>
<b>Expenditures:</b>				
Personal services	20,193	20,193	9,040	11,153
Materials and services	30,810	30,810	30,802	8
Capital outlay	50	50	-	50
Contingency	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>56,053</u>	<u>56,053</u>	<u>39,842</u>	<u>16,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,343)</u>	<u>(4,343)</u>	<u>(1,038)</u>	<u>3,305</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>10,550</u>	<u>22,730</u>	<u>22,730</u>	<u>-</u>
Net change in fund balance	<u>6,207</u>	<u>18,387</u>	<u>21,692</u>	<u>3,305</u>
<b>Fund balance:</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 6,207</u>	<u>\$ 18,387</u>	<u>\$ 21,692</u>	<u>\$ 3,305</u>



**Nonmajor Governmental Funds**  
**Combining Statements**



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Governmental Funds  
June 30, 2011

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Revenue Fund -State Revenue Sharing Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 1,372,526</u>	<u>\$ 55,234</u>	<u>\$ 1,427,760</u>
<b>FUND BALANCES</b>			
Restricted	932,660	55,234	987,894
Committed	<u>439,866</u>	<u>-</u>	<u>439,866</u>
Total fund balances	<u>\$ 1,372,526</u>	<u>\$ 55,234</u>	<u>\$ 1,427,760</u>

**CITY OF JUNCTION CITY**

**LANE COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Nonmajor Governmental Funds

For the Year Ended June 30, 2011

	Total Nonmajor Capital Project Funds	Total Nonmajor Special Fund -State Revenue Sharing Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental revenues	\$ 12,548	\$ 40,922	\$ 53,470
System development charges	55,270	-	55,270
Investment earnings	6,855	276	7,131
Support	7,570	-	7,570
Other revenue	246	-	246
Total revenues	<u>82,489</u>	<u>41,198</u>	<u>123,687</u>
<b>EXPENDITURES</b>			
Current			
General government	9,235	4,546	13,781
Public safety	55,296	-	55,296
Highways and streets	10,238	-	10,238
Culture and recreation	32,200	-	32,200
Total expenditures	<u>106,969</u>	<u>4,546</u>	<u>111,515</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,480)</u>	<u>36,652</u>	<u>12,172</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	75,500	-	75,500
Transfers out	-	(35,003)	(35,003)
Total other financing sources (uses)	<u>75,500</u>	<u>(35,003)</u>	<u>40,497</u>
Net change in fund balances	51,020	1,649	52,669
Fund balances - beginning	<u>1,321,506</u>	<u>53,585</u>	<u>1,375,091</u>
Fund balances - ending	<u>\$ 1,372,526</u>	<u>\$ 55,234</u>	<u>\$ 1,427,760</u>



**Capital Project Funds**



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Capital Project Funds  
June 30, 2011

	PW Building/Yard Reserve Fund	Viking Sal Capital Reserve	Police Vehicle & Equip Reserve Fund	Prairie Road Street Improvement Reserve Fund	Library Equip. & Build. Reserve Fund
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 23,515</u>	<u>\$ 1,841</u>	<u>\$ 27,664</u>	<u>\$ 240,413</u>	<u>\$ 6,119</u>
<b>FUND BALANCES</b>					
Restricted	<u>23,515</u>	<u>1,841</u>	<u>27,664</u>	<u>240,413</u>	<u>6,119</u>
Committed					
Total fund balances	<u>\$ 23,515</u>	<u>\$ 1,841</u>	<u>\$ 27,664</u>	<u>\$ 240,413</u>	<u>\$ 6,119</u>

Continued on next page

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Capital Project Funds  
June 30, 2011

	<u>Administration Vehicle Reserve</u>	<u>Park and Pool Equipment Reserve Fund</u>	<u>Bike Path Reserve Fund</u>	<u>Park System Development Fund</u>	<u>Computer Equipment Reserve Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 16,986</u>	<u>\$ 25,693</u>	<u>\$ 25,191</u>	<u>\$ 329,247</u>	<u>\$ 35,182</u>
<b>FUND BALANCES</b>					
Restricted		-	25,191	329,247	-
Committed	<u>16,986</u>	<u>25,693</u>	<u>-</u>	<u>-</u>	<u>35,182</u>
Total fund balances	<u>\$ 16,986</u>	<u>\$ 25,693</u>	<u>\$ 25,191</u>	<u>\$ 329,247</u>	<u>\$ 35,182</u>

Continued on next page

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Combining Balance Sheet - Modified Cash Basis  
Nonmajor Capital Project Funds  
June 30, 2011

	Street System Development Fund	Street Equipment Reserve Fund	Police Defibrillator Trust	Total Nonmajor Capital Project Funds
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 578,222</u>	<u>\$ 61,854</u>	<u>\$ 599</u>	<u>\$ 1,372,526</u>
<b>FUND BALANCES</b>				
Restricted	578,222	-	-	932,660
Committed	<u>-</u>	<u>61,854</u>	<u>599</u>	<u>439,866</u>
Total fund balances	<u>\$ 578,222</u>	<u>\$ 61,854</u>	<u>\$ 599</u>	<u>\$ 1,372,526</u>

**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2011

	<u>PW Building/Yard Reserve Fund</u>	<u>Viking Sal Capital Reserve</u>	<u>Police Vehicle &amp; Equip Reserve Fund</u>	<u>Prairie Road Street Improvement Reserve Fund</u>	<u>Library Equip. &amp; Build. Reserve Fund</u>
<b>REVENUES</b>					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
System development charges	-	-	-	-	-
Investment earnings	110	6	133	1,205	78
Contributions and donations	-	-	-	-	-
Other revenue	-	-	246	-	-
Total revenues	<u>110</u>	<u>6</u>	<u>379</u>	<u>1,205</u>	<u>78</u>
<b>EXPENDITURES</b>					
Current					
General government	950	-	-	-	-
Public safety	-	-	45,382	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	2,400	-	-	13,796
Total expenditures	<u>950</u>	<u>2,400</u>	<u>45,382</u>	<u>-</u>	<u>13,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(840)</u>	<u>(2,394)</u>	<u>(45,003)</u>	<u>1,205</u>	<u>(13,718)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>5,000</u>	<u>2,500</u>	<u>47,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,160	106	1,997	1,205	(13,718)
Fund balances - beginning	<u>19,355</u>	<u>1,735</u>	<u>25,667</u>	<u>239,208</u>	<u>19,837</u>
Fund balances - ending	<u>\$ 23,515</u>	<u>\$ 1,841</u>	<u>\$ 27,664</u>	<u>\$ 240,413</u>	<u>\$ 6,119</u>

Continued on next page

**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2011

	Administration Vehicle Reserve	Park and Pool Equipment Reserve Fund	Bike Path Reserve Fund	Park System Development Fund	Computer Equipment Reserve Fund
<b>REVENUES</b>					
Intergovernmental revenues	\$ -	\$ -	\$ 2,634	\$ -	\$ -
System development charges	-	-	-	34,066	-
Investment earnings	87	140	120	1,602	165
Contributions and donations	-	7,570	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>87</u>	<u>7,710</u>	<u>2,754</u>	<u>35,668</u>	<u>165</u>
<b>EXPENDITURES</b>					
Current					
General government	441	-	-	-	7,844
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	13,930	-	2,074	-
Total expenditures	<u>441</u>	<u>13,930</u>	<u>-</u>	<u>2,074</u>	<u>7,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(354)</u>	<u>(6,220)</u>	<u>2,754</u>	<u>33,594</u>	<u>(7,679)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	13,000
Net change in fund balances	<u>(354)</u>	<u>(6,220)</u>	<u>2,754</u>	<u>33,594</u>	<u>5,321</u>
Fund balances - beginning	<u>17,340</u>	<u>31,913</u>	<u>22,437</u>	<u>295,653</u>	<u>29,861</u>
Fund balances - ending	<u>\$ 16,986</u>	<u>\$ 25,693</u>	<u>\$ 25,191</u>	<u>\$ 329,247</u>	<u>\$ 35,182</u>

Continued on next page

**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2011

	Street System Development Fund	Street Equipment Reserve Fund	Police Defibrillator Trust	Total Nonmajor Capital Project Funds
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 9,914	\$ 12,548
System development charges	21,204	-	-	55,270
Investment earnings	2,869	337	3	6,855
Contributions and donations	-	-	-	7,570
Other revenue	-	-	-	246
Total revenues	<u>24,073</u>	<u>337</u>	<u>9,917</u>	<u>82,489</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	9,235
Public safety	-	-	9,914	55,296
Highways and streets	-	10,238	-	10,238
Culture and recreation	-	-	-	32,200
Total expenditures	<u>-</u>	<u>10,238</u>	<u>9,914</u>	<u>106,969</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,073</u>	<u>(9,901)</u>	<u>3</u>	<u>(24,480)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>75,500</u>
Net change in fund balances	<u>24,073</u>	<u>(1,901)</u>	<u>3</u>	<u>51,020</u>
Fund balances - beginning	<u>554,149</u>	<u>63,755</u>	<u>596</u>	<u>1,321,506</u>
Fund balances - ending	<u>\$ 578,222</u>	<u>\$ 61,854</u>	<u>\$ 599</u>	<u>\$ 1,372,526</u>



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**DOC-IGA INFRASTRUCTURE CAPITAL PROJECT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenues	<u>\$ 17,077,000</u>	<u>\$ 17,077,000</u>	<u>\$ 16,119,016</u>	<u>\$ (957,984)</u>
Expenditures:				
Materials and services	<u>863,000</u>	<u>863,000</u>	<u>328,500</u>	<u>534,500</u>
Capital outlay	<u>23,084,000</u>	<u>22,534,000</u>	<u>10,013,784</u>	<u>12,520,216</u>
Total expenditures	<u>23,947,000</u>	<u>23,397,000</u>	<u>10,342,284</u>	<u>13,054,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,870,000)</u>	<u>(6,320,000)</u>	<u>5,776,732</u>	<u>12,096,732</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(550,000)</u>	<u>(550,000)</u>	<u>-</u>
Net change in fund balances	<u>(6,870,000)</u>	<u>(6,870,000)</u>	<u>5,226,732</u>	<u>12,096,732</u>
Fund balance:				
Beginning of year	<u>6,970,000</u>	<u>6,970,000</u>	<u>-</u>	<u>(6,970,000)</u>
End of year	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 5,226,732</u>	<u>\$ 5,126,732</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**BUILDING REPLACEMENT RESERVE FUND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 1,800	\$ 1,800	\$ 2,096	\$ 296
Expenditures:				
Materials and services	13,200	13,200	4,293	8,907
Capital outlay	<u>127,000</u>	<u>119,500</u>	<u>50,950</u>	<u>68,550</u>
Total expenditures	<u>140,200</u>	<u>132,700</u>	<u>55,243</u>	<u>77,457</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(138,400)</u>	<u>(130,900)</u>	<u>(53,147)</u>	<u>77,753</u>
Net change in fund balances	(138,400)	(130,900)	(53,147)	77,753
Fund balance:				
Beginning of year	<u>400,816</u>	<u>400,816</u>	<u>433,085</u>	<u>32,269</u>
End of year	<u>\$ 262,416</u>	<u>\$ 269,916</u>	<u>\$ 379,938</u>	<u>\$ 110,022</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**PW BUILDING/YARD RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	<u>\$          125</u>	<u>\$          125</u>	<u>\$          110</u>	<u>\$          (15)</u>
Expenditures:				
Capital outlay	<u>         10,000</u>	<u>         10,000</u>	<u>             950</u>	<u>          9,050</u>
Excess (deficiency) of revenues over (under) expenditures	<u>         (9,875)</u>	<u>         (9,875)</u>	<u>          (840)</u>	<u>          9,035</u>
Other financing sources (uses):				
Transfers in	<u>          5,000</u>	<u>          5,000</u>	<u>          5,000</u>	<u>              -</u>
Net change in fund balances	<u>         (4,875)</u>	<u>         (4,875)</u>	<u>          4,160</u>	<u>          9,035</u>
Fund balance:				
Beginning of year	<u>         15,328</u>	<u>         15,328</u>	<u>         19,355</u>	<u>          4,027</u>
End of year	<u>\$         10,453</u>	<u>\$         10,453</u>	<u>\$         23,515</u>	<u>\$         13,062</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**VIKING SAL CAPITAL RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 10	\$ 10	\$ 6	\$ (4)
Expenditures:				
Materials and services	3,400	3,400	2,400	1,000
Capital outlay	50	50	-	50
Total expenditures	<u>3,450</u>	<u>3,450</u>	<u>2,400</u>	<u>1,050</u>
Excess (deficiency) of revenues over (under) expenditures	(3,440)	(3,440)	(2,394)	1,046
Other financing sources (uses):				
Transfers in	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	-
Net change in fund balances	(940)	(940)	106	1,046
Fund balance:				
Beginning of year	<u>1,200</u>	<u>1,200</u>	<u>1,735</u>	<u>535</u>
End of year	<u>\$ 260</u>	<u>\$ 260</u>	<u>\$ 1,841</u>	<u>\$ 1,581</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**POLICE VEHICLE AND EQUIPMENT RESERVE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Investment earnings	\$ 100	\$ 100	\$ 133	\$ 33
Other revenue	-	-	246	246
Total revenues	<u>100</u>	<u>100</u>	<u>379</u>	<u>279</u>
<b>Expenditures:</b>				
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>45,382</u>	<u>4,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,900)</u>	<u>(49,900)</u>	<u>(45,003)</u>	<u>4,897</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>47,000</u>	<u>47,000</u>	<u>47,000</u>	<u>-</u>
Net change in fund balance	<u>(2,900)</u>	<u>(2,900)</u>	<u>1,997</u>	<u>4,897</u>
<b>Fund balance:</b>				
Beginning of year	<u>12,000</u>	<u>12,000</u>	<u>25,667</u>	<u>13,667</u>
End of year	<u>\$ 9,100</u>	<u>\$ 9,100</u>	<u>\$ 27,664</u>	<u>\$ 18,564</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**PRAIRIE ROAD STREET IMPROVEMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 1,700	\$ 1,700	\$ 1,205	\$ (495)
Expenditures:				
Capital outlay	218,000	218,000	-	218,000
Net change in fund balance	(216,300)	(216,300)	1,205	217,505
Fund balance:				
Beginning of year	239,190	239,190	239,208	18
End of year	<u>\$ 22,890</u>	<u>\$ 22,890</u>	<u>\$ 240,413</u>	<u>\$ 217,523</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**LIBRARY EQUIPMENT AND BUILDING IMPROVEMENT RESERVE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	<u>\$          25</u>	<u>\$          25</u>	<u>\$          78</u>	<u>\$          53</u>
Expenditures:				
Materials and services	2,050	2,050	1,995	55
Capital outlay	<u>4,500</u>	<u>12,000</u>	<u>11,801</u>	<u>199</u>
Total expenditures	<u>6,550</u>	<u>14,050</u>	<u>13,796</u>	<u>254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,525)</u>	<u>(14,025)</u>	<u>(13,718)</u>	<u>307</u>
Net change in fund balances	(6,525)	(14,025)	(13,718)	307
Fund balance:				
Beginning of year	<u>15,410</u>	<u>15,410</u>	<u>19,837</u>	<u>4,427</u>
End of year	<u>\$      8,885</u>	<u>\$      1,385</u>	<u>\$      6,119</u>	<u>\$      4,734</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**ADMINISTRATION VEHICLE AND EQUIPMENT RESERVE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 87	\$ (13)
Expenditures:				
Materials and services	300	300	-	300
Capital outlay	<u>15,200</u>	<u>15,200</u>	<u>441</u>	<u>14,759</u>
Total expenditures	15,500	15,500	441	15,059
Excess (deficiency) of revenues over (under) expenditures	<u>(15,400)</u>	<u>(15,400)</u>	<u>(354)</u>	<u>15,046</u>
Other financing sources (uses):				
Net change in fund balance	(15,400)	(15,400)	(354)	15,046
Fund balance:				
Beginning of year	<u>15,500</u>	<u>15,500</u>	<u>17,340</u>	<u>1,840</u>
End of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 16,986</u>	<u>\$ 16,886</u>



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**PARK AND POOL EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 4,500	\$ 4,500	\$ -	\$ (4,500)
Investment earnings	209	209	140	(69)
Support	15,000	15,000	7,570	(7,430)
Other revenue	<u>4,550</u>	<u>4,550</u>	<u>-</u>	<u>(4,550)</u>
Total revenues	<u>24,259</u>	<u>24,259</u>	<u>7,710</u>	<u>(16,549)</u>
<b>Expenditures:</b>				
Materials and services	6,000	6,000	4,808	1,192
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>9,122</u>	<u>20,878</u>
Total expenditures	<u>36,000</u>	<u>36,000</u>	<u>13,930</u>	<u>22,070</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,741)</u>	<u>(11,741)</u>	<u>(6,220)</u>	<u>5,521</u>
Net change in fund balance	(11,741)	(11,741)	(6,220)	5,521
<b>Fund balance:</b>				
Beginning of year	<u>33,500</u>	<u>33,500</u>	<u>31,913</u>	<u>(1,587)</u>
End of year	<u>\$ 21,759</u>	<u>\$ 21,759</u>	<u>\$ 25,693</u>	<u>\$ 3,934</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**BIKE PATH RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenues	\$ 2,732	\$ 2,732	\$ 2,634	\$ (98)
Investment earnings	<u>300</u>	<u>300</u>	<u>120</u>	<u>(180)</u>
Total revenues	<u>3,032</u>	<u>3,032</u>	<u>2,754</u>	<u>(278)</u>
Expenditures:				
Materials and services	100	100		100
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>10,100</u>	<u>10,100</u>	<u>-</u>	<u>10,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,068)</u>	<u>(7,068)</u>	<u>2,754</u>	<u>9,822</u>
Net change in fund balance	(7,068)	(7,068)	2,754	9,822
Fund balance:				
Beginning of year	<u>21,185</u>	<u>21,185</u>	<u>22,437</u>	<u>1,252</u>
End of year	<u>\$ 14,117</u>	<u>\$ 14,117</u>	<u>\$ 25,191</u>	<u>\$ 11,074</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**PARK SYSTEM DEVELOPMENT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
System development charges	\$ 54,500	\$ 54,500	\$ 34,066	\$ (20,434)
Investment earnings	<u>800</u>	<u>800</u>	<u>1,602</u>	<u>802</u>
Total revenues	<u>55,300</u>	<u>55,300</u>	<u>35,668</u>	<u>(19,632)</u>
<b>Expenditures:</b>				
Materials and services	25,000	25,000	2,074	22,926
Capital outlay	<u>215,500</u>	<u>215,500</u>	<u>-</u>	<u>215,500</u>
Total expenditures	240,500	240,500	2,074	238,426
Excess (deficiency) of revenues over (under) expenditures	<u>(185,200)</u>	<u>(185,200)</u>	<u>33,594</u>	<u>218,794</u>
Net change in fund balances	(185,200)	(185,200)	33,594	218,794
<b>Fund balance:</b>				
Beginning of year	<u>233,561</u>	<u>233,561</u>	<u>295,653</u>	<u>62,092</u>
End of year	<u>\$ 48,361</u>	<u>\$ 48,361</u>	<u>\$ 329,247</u>	<u>\$ 280,886</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**COMPUTER EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	<u>\$         500</u>	<u>\$         500</u>	<u>\$         165</u>	<u>\$         (335)</u>
Expenditures:				
Materials and services	<u>17,000</u>	<u>17,000</u>	<u>3,246</u>	<u>13,754</u>
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>4,598</u>	<u>5,402</u>
Total expenditures	<u>27,000</u>	<u>27,000</u>	<u>7,844</u>	<u>19,156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,500)</u>	<u>(26,500)</u>	<u>(7,679)</u>	<u>18,821</u>
Other financing sources (uses):				
Transfers in	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Net change in fund balance	<u>(13,500)</u>	<u>(13,500)</u>	<u>5,321</u>	<u>18,821</u>
Fund balance:				
Beginning of year	<u>24,346</u>	<u>24,346</u>	<u>29,861</u>	<u>5,515</u>
End of year	<u>\$     10,846</u>	<u>\$     10,846</u>	<u>\$     35,182</u>	<u>\$     24,336</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**STREET SYSTEM DEVELOPMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
System development charges	\$ 55,800	\$ 55,800	\$ 21,204	\$ (34,596)
Investment earnings	<u>3,000</u>	<u>3,000</u>	<u>2,869</u>	<u>(131)</u>
Total revenues	<u>58,800</u>	<u>58,800</u>	<u>24,073</u>	<u>(34,727)</u>
Expenditures:				
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,800</u>	<u>53,800</u>	<u>24,073</u>	<u>(29,727)</u>
Net change in fund balances	53,800	53,800	24,073	(29,727)
Fund balance:				
Beginning of year	<u>538,051</u>	<u>538,051</u>	<u>554,149</u>	<u>16,098</u>
End of year	<u>\$ 591,851</u>	<u>\$ 591,851</u>	<u>\$ 578,222</u>	<u>\$ (13,629)</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**STREET EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 400	\$ 400	\$ 337	\$ (63)
Expenditures:				
Capital outlay	44,000	44,000	10,238	33,762
Excess (deficiency) of revenues over (under) expenditures	(43,600)	(43,600)	(9,901)	33,699
Other financing sources (uses):				
Transfers in	8,000	8,000	8,000	-
Net change in fund balance	(35,600)	(35,600)	(1,901)	33,699
Fund balance:				
Beginning of year	60,769	60,769	63,755	2,986
End of year	\$ 25,169	\$ 25,169	\$ 61,854	\$ 36,685

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**POLICE DEFIBRILLATOR FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ -	\$ 9,989	\$ 9,914	\$ (75)
Investment earnings	<u>2</u>	<u>2</u>	<u>3</u>	<u>1</u>
Total revenues	<u>2</u>	<u>9,991</u>	<u>9,917</u>	<u>(74)</u>
<b>Expenditures:</b>				
Materials and services	125	125	-	125
Capital outlay	<u>200</u>	<u>10,189</u>	<u>9,914</u>	<u>275</u>
Total expenditures	<u>325</u>	<u>10,314</u>	<u>9,914</u>	<u>400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(323)</u>	<u>(323)</u>	<u>3</u>	<u>326</u>
Net change in fund balances	(323)	(323)	3	326
<b>Fund balance:</b>				
Beginning of year	<u>546</u>	<u>546</u>	<u>596</u>	<u>50</u>
End of year	<u>\$ 223</u>	<u>\$ 223</u>	<u>\$ 599</u>	<u>\$ 376</u>





**Special Revenue Funds**



**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON  
STREET FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Licenses and permits	\$ 2,500	\$ 2,500	\$ 1,005	\$ (1,495)
Intergovernmental revenues	320,486	320,486	367,434	46,948
Investment earnings	3,000	3,000	2,196	(804)
Other revenue	<u>1,000</u>	<u>1,000</u>	<u>916</u>	<u>(84)</u>
Total revenues	<u>326,986</u>	<u>326,986</u>	<u>371,551</u>	<u>44,565</u>
<b>Expenditures:</b>				
Personal services	96,940	96,940	96,934	6
Materials and services	120,540	120,540	119,394	1,146
Capital outlay	25,000	25,000	24,873	127
Contingency	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>272,480</u>	<u>272,480</u>	<u>241,201</u>	<u>31,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,506</u>	<u>54,506</u>	<u>130,350</u>	<u>75,844</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(109,000)</u>	<u>(109,000)</u>	<u>(109,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(109,000)</u>	<u>(109,000)</u>	<u>(109,000)</u>	<u>-</u>
Net change in fund balances	(54,494)	(54,494)	21,350	75,844
<b>Fund balance:</b>				
Beginning of year	<u>375,000</u>	<u>375,000</u>	<u>386,417</u>	<u>11,417</u>
End of year	<u>\$ 320,506</u>	<u>\$ 320,506</u>	<u>\$ 407,767</u>	<u>\$ 87,261</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**BUSINESS DEVELOPMENT LOAN FUND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ 8,600	\$ 8,600	\$ 8,607	\$ 7
Investment earnings	10,000	10,000	5,206	(4,794)
Principal received - loan program	9,769	9,769	20,647	10,878
Interest received - loan program	5,466	5,466	7,857	2,391
Other revenue	600	600	100	(500)
Total revenues	<u>34,435</u>	<u>34,435</u>	<u>42,417</u>	<u>7,982</u>
<b>Expenditures:</b>				
Materials and services	986,708	986,708	157,180	829,528
Debt service	<u>25,000</u>	<u>25,000</u>	-	<u>25,000</u>
Total expenditures	<u>1,011,708</u>	<u>1,011,708</u>	<u>157,180</u>	<u>854,528</u>
Net change in fund balances	(977,273)	(977,273)	(114,763)	862,510
<b>Fund balance:</b>				
Beginning of year	<u>981,185</u>	<u>981,185</u>	<u>1,093,693</u>	<u>112,508</u>
End of year	<u>\$ 3,912</u>	<u>\$ 3,912</u>	<u>\$ 978,930</u>	<u>\$ 975,018</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**STATE REVENUE SHARING FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenues	\$ 36,749	\$ 36,749	\$ 40,922	\$ 4,173
Investment earnings	400	400	276	(124)
Total revenues	<u>37,149</u>	<u>37,149</u>	<u>41,198</u>	<u>4,049</u>
Expenditures:				
Materials and services	34,000	26,497	4,546	21,951
Capital outlay	1,000	1,000	-	1,000
Total expenditures	<u>35,000</u>	<u>27,497</u>	<u>4,546</u>	<u>22,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,149</u>	<u>9,652</u>	<u>36,652</u>	<u>27,000</u>
Other financing sources (uses):				
Transfers out	<u>(27,500)</u>	<u>(35,003)</u>	<u>(35,003)</u>	<u>-</u>
Net change in fund balance	<u>(25,351)</u>	<u>(25,351)</u>	<u>1,649</u>	<u>27,000</u>
Fund balance:				
Beginning of year	<u>25,545</u>	<u>25,545</u>	<u>53,585</u>	<u>28,040</u>
End of year	<u>\$ 194</u>	<u>\$ 194</u>	<u>\$ 55,234</u>	<u>\$ 55,040</u>



**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**Enterprise Funds**

- Water Operating Fund
- Water System Improvement Fund
- Water Equipment Reserve Fund
- Water System Development Fund
- Sewer Operating Fund
- Sewer Ratepayer Assistance Fund
- Sewer Equipment Reserve Fund
- Sewer System Development Fund
- Sewer System Improvement Fund
- Sanitation Operating Fund
- Sanitation Equipment Reserve Fund
- Sanitation System Improvement Fund





**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**WATER OPERATING FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Charges for services	\$ 973,226	\$ 973,226	\$ 829,247	\$ (143,979)	\$ -	\$ 829,247
Investment earnings	3,000	3,000	2,385	(615)	-	2,385
Other revenue	1,000	1,000	775	(225)	-	775
Total revenues	<u>977,226</u>	<u>977,226</u>	<u>832,407</u>	<u>(144,819)</u>	<u>-</u>	<u>832,407</u>
Expenditures:						
Personal services	381,092	381,092	381,084	8	-	381,084
Materials and services	272,710	272,710	272,594	116	-	272,594
Capital outlay	1,000	1,000	-	1,000	-	-
Depreciation	-	-	-	-	119,723	119,723
Contingency	81,786	81,786	-	81,786	-	-
Total expenditures	<u>736,588</u>	<u>736,588</u>	<u>653,678</u>	<u>82,910</u>	<u>119,723</u>	<u>773,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>240,638</u>	<u>240,638</u>	<u>178,729</u>	<u>(61,909)</u>	<u>(119,723)</u>	<u>59,006</u>
Other financing sources (uses):						
Transfers out	<u>(237,000)</u>	<u>(237,000)</u>	<u>(237,000)</u>	<u>-</u>	<u>-</u>	<u>(237,000)</u>
Net change in fund balance	3,638	3,638	(58,271)	(61,909)	(119,723)	(177,994)
Fund balance:						
Beginning of year	<u>340,000</u>	<u>340,000</u>	<u>425,573</u>	<u>85,573</u>	<u>2,891,039</u>	<u>3,316,612</u>
End of year	<u>\$ 343,638</u>	<u>\$ 343,638</u>	<u>\$ 367,302</u>	<u>\$ 23,664</u>	<u>\$ 2,771,316</u>	<u>\$ 3,138,618</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**WATER SYSTEM IMPROVEMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
Revenues:						
Charges for services	\$ 11,500	\$ 11,500	\$ 7,578	\$ (3,922)	\$ -	\$ 7,578
Investment earnings	<u>4,000</u>	<u>4,000</u>	<u>1,478</u>	<u>(2,522)</u>	<u>-</u>	<u>1,478</u>
Total revenues	<u>15,500</u>	<u>15,500</u>	<u>9,056</u>	<u>(6,444)</u>	<u>-</u>	<u>9,056</u>
Expenditures:						
Materials and services	68,400	68,400	50,660	17,740	101,392	152,052
Capital outlay	335,000	885,000	567,828	317,172	(567,828)	-
Debt service	<u>22,027</u>	<u>22,027</u>	<u>22,027</u>	<u>-</u>	<u>(18,426)</u>	<u>3,601</u>
Total expenditures	<u>425,427</u>	<u>975,427</u>	<u>640,515</u>	<u>334,912</u>	<u>(484,862)</u>	<u>155,653</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(409,927)</u>	<u>(959,927)</u>	<u>(631,459)</u>	<u>328,468</u>	<u>484,862</u>	<u>(146,597)</u>
Other financing sources (uses):						
Transfers in	<u>220,000</u>	<u>770,000</u>	<u>770,000</u>	<u>-</u>	<u>-</u>	<u>770,000</u>
Net change in fund balance	<u>(189,927)</u>	<u>(189,927)</u>	<u>138,541</u>	<u>328,468</u>	<u>484,862</u>	<u>623,403</u>
Fund balance:						
Beginning of year	<u>232,860</u>	<u>232,860</u>	<u>368,668</u>	<u>135,808</u>	<u>143,493</u>	<u>512,161</u>
End of year	<u>\$ 42,933</u>	<u>\$ 42,933</u>	<u>\$ 507,209</u>	<u>\$ 464,276</u>	<u>\$ 628,355</u>	<u>\$1,135,564</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**WATER EQUIPMENT RESERVE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
<b>Revenues:</b>						
Investment earnings	<u>\$ 650</u>	<u>\$ 650</u>	<u>\$ 386</u>	<u>\$ (264)</u>	<u>\$ -</u>	<u>\$ 386</u>
<b>Expenditures:</b>						
Materials and services	<u>17,500</u>	<u>17,500</u>	<u>12,510</u>	<u>4,990</u>	<u>24,364</u>	<u>36,874</u>
Capital outlay	<u>43,333</u>	<u>43,333</u>	<u>24,364</u>	<u>18,969</u>	<u>(24,364)</u>	<u>-</u>
Total expenditures	<u>60,833</u>	<u>60,833</u>	<u>36,874</u>	<u>23,959</u>	<u>-</u>	<u>36,874</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,183)</u>	<u>(60,183)</u>	<u>(36,488)</u>	<u>23,695</u>	<u>-</u>	<u>(36,488)</u>
<b>Other financing sources (uses):</b>						
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Net change in fund balance	<u>(45,183)</u>	<u>(45,183)</u>	<u>(21,488)</u>	<u>23,695</u>	<u>-</u>	<u>(21,488)</u>
<b>Fund balance:</b>						
Beginning of year	<u>80,963</u>	<u>80,963</u>	<u>80,609</u>	<u>(354)</u>	<u>126,447</u>	<u>207,056</u>
End of year	<u>\$ 35,780</u>	<u>\$ 35,780</u>	<u>\$ 59,121</u>	<u>\$ 23,341</u>	<u>\$ 126,447</u>	<u>\$ 185,568</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**WATER SYSTEM DEVELOPMENT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
System development charges	\$ 55,000	\$ 55,000	\$ 18,936	\$ (36,064)	\$ -	\$ 18,936
Investment earnings	<u>1,300</u>	<u>1,300</u>	<u>1,049</u>	<u>(251)</u>	<u>-</u>	<u>1,049</u>
Total revenues	<u>56,300</u>	<u>56,300</u>	<u>19,985</u>	<u>(36,315)</u>	<u>-</u>	<u>19,985</u>
Expenditures:						
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>6,300</u>	<u>6,300</u>	<u>19,985</u>	<u>13,685</u>	<u>-</u>	<u>19,985</u>
Fund balance:						
Beginning of year	<u>202,211</u>	<u>202,211</u>	<u>193,747</u>	<u>(8,464)</u>	<u>143,769</u>	<u>337,516</u>
End of year	<u>\$ 208,511</u>	<u>\$ 208,511</u>	<u>\$ 213,732</u>	<u>\$ 5,221</u>	<u>\$ 143,769</u>	<u>\$ 357,501</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SEWER OPERATING FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
<b>Revenues:</b>						
Charges for services	\$ 1,493,150	\$1,493,150	\$1,312,255	\$ (180,895)	\$ -	\$ 1,312,255
Investment earnings	3,000	3,000	2,539	(461)	-	2,539
Other revenue	1,500	1,500	88	(1,412)	-	88
Total revenues	<u>1,497,650</u>	<u>1,497,650</u>	<u>1,314,882</u>	<u>(182,768)</u>	<u>-</u>	<u>1,314,882</u>
<b>Expenditures:</b>						
Personal services	402,700	402,700	402,688	12	-	402,688
Materials and services	178,790	178,790	178,693	97	-	178,693
Capital outlay	100	100	-	100	-	-
Depreciation	-	-	-	-	436,542	436,542
Contingency	124,470	124,470	-	124,470	-	-
Total expenditures	<u>706,060</u>	<u>706,060</u>	<u>581,381</u>	<u>124,679</u>	<u>436,542</u>	<u>1,017,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>791,590</u>	<u>791,590</u>	<u>733,501</u>	<u>(58,089)</u>	<u>(436,542)</u>	<u>296,959</u>
<b>Other financing sources (uses):</b>						
Transfers out	<u>(788,000)</u>	<u>(788,000)</u>	<u>(788,000)</u>	<u>-</u>	<u>-</u>	<u>(788,000)</u>
Net change in fund balance	3,590	3,590	(54,499)	(58,089)	(436,542)	(491,041)
<b>Fund balance:</b>						
Beginning of year	<u>320,478</u>	<u>320,478</u>	<u>403,364</u>	<u>82,886</u>	<u>6,182,128</u>	<u>6,585,492</u>
End of year	<u>\$ 324,068</u>	<u>\$ 324,068</u>	<u>\$ 348,865</u>	<u>\$ 24,797</u>	<u>\$ 5,745,586</u>	<u>\$ 6,094,451</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SEWER RATEPAYER ASSISTANCE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Charges for services	\$ -	\$ -	\$ 11	\$ 11	\$ -	\$ 11
Investment earnings	<u>175</u>	<u>175</u>	<u>109</u>	<u>(66)</u>	<u>-</u>	<u>109</u>
Total revenues	<u>175</u>	<u>175</u>	<u>120</u>	<u>(55)</u>	<u>-</u>	<u>120</u>
Expenditures:						
Materials and services	<u>20,200</u>	<u>20,200</u>	<u>16,877</u>	<u>3,323</u>	<u>-</u>	<u>16,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,025)</u>	<u>(20,025)</u>	<u>(16,757)</u>	<u>3,268</u>	<u>-</u>	<u>(16,757)</u>
Net change in fund balances	<u>(20,025)</u>	<u>(20,025)</u>	<u>(16,757)</u>	<u>3,268</u>	<u>-</u>	<u>(16,757)</u>
Fund balance:						
Beginning of year	<u>21,826</u>	<u>21,826</u>	<u>25,816</u>	<u>3,990</u>	<u>-</u>	<u>25,816</u>
End of year	<u>\$ 1,801</u>	<u>\$ 1,801</u>	<u>\$ 9,059</u>	<u>\$ 7,258</u>	<u>\$ -</u>	<u>\$ 9,059</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SEWER EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 450	\$ 450	\$ 392	\$ (58)	\$ -	\$ 392
Expenditures:						
Materials and services	-	-	-	-	34,382	34,382
Capital outlay	56,000	56,000	41,567	14,433	(41,567)	-
Total expenditures	56,000	56,000	41,567	14,433	(7,185)	34,382
Excess (deficiency) of revenues over (under) expenditures	(55,550)	(55,550)	(41,175)	14,375	7,185	(33,990)
Other financing sources (uses):						
Transfers in	25,000	25,000	25,000	-	-	25,000
Net change in fund balance	(30,550)	(30,550)	(16,175)	14,375	7,185	(8,990)
Fund balance:						
Beginning of year	68,836	68,836	76,775	7,939	90,553	167,328
End of year	\$ 38,286	\$ 38,286	\$ 60,600	\$ 22,314	\$ 97,738	\$ 158,338

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SEWER SYSTEM DEVELOPMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
System development charges	\$ 358,700	\$ 358,700	\$ 133,623	\$ (225,077)	\$ -	\$ 133,623
Investment earnings	<u>9,500</u>	<u>9,500</u>	<u>9,278</u>	<u>(222)</u>	<u>-</u>	<u>9,278</u>
Total revenues	<u>368,200</u>	<u>368,200</u>	<u>142,901</u>	<u>(225,299)</u>	<u>-</u>	<u>142,901</u>
Expenditures:						
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>318,200</u>	<u>318,200</u>	<u>142,901</u>	<u>(175,299)</u>	<u>-</u>	<u>142,901</u>
Net change in fund balances	318,200	318,200	142,901	(175,299)	-	142,901
Fund balance:						
Beginning of year	<u>1,629,581</u>	<u>1,629,581</u>	<u>1,743,015</u>	<u>113,434</u>	<u>47,418</u>	<u>1,790,433</u>
End of year	<u>\$ 1,947,781</u>	<u>\$ 1,947,781</u>	<u>\$ 1,885,916</u>	<u>\$ (61,865)</u>	<u>\$ 47,418</u>	<u>\$ 1,933,334</u>



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SEWER SYSTEM IMPROVEMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjust for Modified Cash Basis	Modified Cash Basis
<b>Revenues:</b>						
Charges for services	\$ -	\$ -	\$ 128	\$ 128	\$ -	\$ 128
Investment earnings	40,000	40,000	9,458	(30,542)	-	9,458
Other revenue	2,000	2,000	2,015	15	-	2,015
Total revenues	42,000	42,000	11,601	(30,399)	-	11,601
<b>Expenditures:</b>						
Materials and services	213,000	213,000	35,894	177,106	72,751	108,645
Capital outlay	400,000	400,000	160,678	239,322	(160,678)	-
Total expenditures	613,000	613,000	196,572	416,428	(87,927)	108,645
Excess (deficiency) of revenues over (under) expenditures	(571,000)	(571,000)	(184,971)	386,029	87,927	(97,044)
<b>Other financing sources (uses):</b>						
Transfers in	760,000	760,000	760,000	-	-	760,000
Net change in fund balances	189,000	189,000	575,029	386,029	87,927	662,956
<b>Fund balance:</b>						
Beginning of year	1,311,901	1,311,901	1,676,653	364,752	4,167,983	5,844,636
End of year	\$ 1,500,901	\$ 1,500,901	\$ 2,251,682	\$ 750,781	\$ 4,255,910	\$ 6,507,592

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SANITATION OPERATING FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
<b>Revenues:</b>						
Charges for services	\$ 691,389	\$ 691,389	\$ 694,181	\$ 2,792	\$ -	\$ 694,181
Investment earnings	1,200	1,200	1,265	65	-	1,265
Other revenue	<u>8,600</u>	<u>8,600</u>	<u>20,857</u>	<u>12,257</u>	<u>-</u>	<u>20,857</u>
Total revenues	<u>701,189</u>	<u>701,189</u>	<u>716,303</u>	<u>15,114</u>	<u>-</u>	<u>716,303</u>
<b>Expenditures:</b>						
Personal services	330,941	330,941	320,318	10,623	-	320,318
Materials and services	221,270	221,270	220,001	1,269	-	220,001
Capital outlay	100	100	-	100	-	-
Depreciation	-	-	-	-	69,963	69,963
Contingency	<u>73,569</u>	<u>16,064</u>	<u>-</u>	<u>16,064</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>625,880</u>	<u>568,375</u>	<u>540,319</u>	<u>28,056</u>	<u>69,963</u>	<u>610,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>75,309</u>	<u>132,814</u>	<u>175,984</u>	<u>43,170</u>	<u>(69,963)</u>	<u>106,021</u>
<b>Other financing sources (uses):</b>						
Transfers out	<u>(139,000)</u>	<u>(196,505)</u>	<u>(196,505)</u>	<u>-</u>	<u>-</u>	<u>(196,505)</u>
Net change in fund balance	<u>(63,691)</u>	<u>(63,691)</u>	<u>(20,521)</u>	<u>43,170</u>	<u>(69,963)</u>	<u>(90,484)</u>
<b>Fund balance:</b>						
Beginning of year	<u>226,896</u>	<u>226,896</u>	<u>261,445</u>	<u>34,549</u>	<u>(55,198)</u>	<u>206,247</u>
End of year	<u>\$ 163,205</u>	<u>\$ 163,205</u>	<u>\$ 240,924</u>	<u>\$ 77,719</u>	<u>\$ (125,161)</u>	<u>\$ 115,763</u>

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SANITATION EQUIPMENT RESERVE FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 300	\$ 300	\$ 389	\$ 89	\$ -	\$ 389
Expenditures:						
Materials and services	-	-	-	-	18,214	18,214
Capital outlay	21,000	78,505	75,719	2,786	(75,719)	-
Total expenditures	21,000	78,505	75,719	2,786	(57,505)	18,214
Excess (deficiency) of revenues over (under) expenditures	(20,700)	(78,205)	(75,330)	2,875	57,505	(17,825)
Other financing sources (uses):						
Transfers in	37,000	94,505	94,505	-	-	94,505
Net change in fund balance	16,300	16,300	19,175	2,875	57,505	76,680
Fund balance:						
Beginning of year	58,930	58,930	64,194	5,264	342,440	406,634
End of year	\$ 75,230	\$ 75,230	\$ 83,369	\$ 8,139	\$ 399,945	\$ 483,314

**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SANITATION SYSTEM IMPROVEMENT FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Adjust for Modified Cash Basis</u>	<u>Modified Cash Basis</u>
Revenues:						
Investment earnings	\$ 100	\$ 100	\$ 215	\$ 115	\$ -	\$ 215
Expenditures:						
Materials and services	2,000	2,000	-	2,000	4,652	4,652
Capital outlay	32,100	32,100	25,053	7,047	(25,053)	-
Debt service	27,200	27,200	27,180	20	(26,012)	1,168
Total expenditures	<u>61,300</u>	<u>61,300</u>	<u>52,233</u>	<u>9,067</u>	<u>(46,413)</u>	<u>5,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,200)</u>	<u>(61,200)</u>	<u>(52,018)</u>	<u>9,182</u>	<u>46,413</u>	<u>(5,605)</u>
Other financing sources (uses):						
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Net change in fund balances	38,800	38,800	47,982	9,182	46,413	94,395
Fund balance:						
Beginning of year	<u>8,365</u>	<u>8,365</u>	<u>12,627</u>	<u>4,262</u>	<u>85,015</u>	<u>97,642</u>
End of year	<u>\$ 47,165</u>	<u>\$ 47,165</u>	<u>\$ 60,609</u>	<u>\$ 13,444</u>	<u>\$ 131,428</u>	<u>\$ 192,037</u>

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**Private-Purpose Trust Fund**

- Shop With A Cop Trust Fund



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
**SHOP WITH A COP TRUST FUND**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment earnings	\$ 10	\$ 10	\$ 19	\$ 9
Support	<u>225</u>	<u>225</u>	<u>3,763</u>	<u>3,538</u>
Total revenues	<u>235</u>	<u>235</u>	<u>3,782</u>	<u>3,547</u>
Expenditures:				
Materials and services	1,200	1,200	586	614
Capital outlay	<u>10</u>	<u>10</u>	<u>-</u>	<u>10</u>
Total expenditures	<u>1,210</u>	<u>1,210</u>	<u>586</u>	<u>624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(975)</u>	<u>(975)</u>	<u>3,196</u>	<u>4,171</u>
Net change in fund balance	(975)	(975)	3,196	4,171
Fund balance:				
Beginning of year	<u>2,418</u>	<u>2,418</u>	<u>2,408</u>	<u>(10)</u>
End of year	<u>\$ 1,443</u>	<u>\$ 1,443</u>	<u>\$ 5,604</u>	<u>\$ 4,161</u>





## **SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**

### **Agency Fund**

- **Municipal Court Fund**



**CITY OF JUNCTION CITY  
LANE COUNTY, OREGON  
MUNICIPAL COURT**  
Schedule of Changes in Assets and Liabilities  
For the Year Ended June 30, 2011

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 36,913	\$ 329,097	\$ 343,432	\$ 22,578
<b>Liabilities:</b>				
Fines and bails	\$ 36,913	\$ 329,097	\$ 343,432	\$ 22,578



**OTHER FINANCIAL SCHEDULES**



**CITY OF JUNCTION CITY**  
**LANE COUNTY, OREGON**  
Schedule of Property Tax Transactions  
For the Year Ended June 30, 2011

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2010</u>	<u>Add Current Levy 2010-2011</u>	<u>Less Collections</u>	<u>Discounts and Adjustments</u>	<u>Uncollected Balance June 30, 2011</u>
2010-2011	\$ -	\$ 1,960,625	\$ (1,850,158)	\$ (53,891)	\$ 56,576
2009-2010	63,405	-	(33,403)	269	30,271
2008-2009	26,345	-	(10,353)	(635)	15,357
2007-2008	11,678	-	(6,403)	11	5,286
2006-2007	3,963	-	(2,156)	(10)	1,797
2005-2006	1,443	-	(98)	(105)	1,240
2004-2005	1,179	-	(78)	(10)	1,091
Prior years	11,675	-	(221)	480	11,934
	<u>\$ 119,688</u>	<u>\$ 1,960,625</u>	<u>\$ (1,902,870)</u>	<u>\$ (53,891)</u>	<u>\$ 123,552</u>





**COMPLIANCE SECTION**





INDEPENDENT AUDITORS' REPORT  
REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and City Council  
City of Junction City

We have audited the basic financial statements of the City of Junction City, Oregon ("City") as of and for the year ended June 30, 2011, and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

1. A transfer of appropriation from Building Replacement Reserve Fund to Library Equipment and Building Reserve Fund was recorded as a decrease in unappropriated ending fund balance in Library Equipment and Building Reserve Fund. According to the Oregon Department of Revenue, this is a violation of ORS 294.371 and/or 294.450.

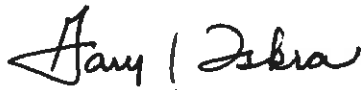
**OAR 162-10-0230 INTERNAL CONTROL**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

There are no elected officials who are collecting or receiving money from the City.

This report is intended solely for the information of the City Council, and Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

**Isler CPA**

A handwritten signature in black ink that reads "Gary Iskra". The signature is written in a cursive style with a large, stylized "G" and "I".

By: Gary Iskra, CPA, a member of the firm  
Eugene, Oregon  
December 16, 2011